

Asia	Sch. 11	Indonesia	Rp 2500	Portugal	Esc 200
Bahamas	Dm 1.00	Italy	L. 1300	S. Africa	R 6.00
Belgium	Bf 42	Japan	Y 500	Singapore	S\$ 4.10
Canada	C\$ 1.00	South Korea	W 500	Spain	P 110
Denmark	Dk 4.75	Taiwan	Nt 100	Sweden	S 1.20
France	F 6.50	Thailand	Bt 5.00	Switzerland	Sfr 1.20
Germany	M 3.00	U.S.	\$ 1.00	Taiwan	Nt 100
Greece	Dr 200	U.K.	£ 1.00	Turkey	L 1.20
Hong Kong	Hk\$ 1.00	U.S.A.	\$ 1.00	U.S.A.	\$ 1.00
India	Rs 100	U.S.A.	\$ 1.00	U.S.A.	\$ 1.00

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,678

Thursday July 18 1985

D 8523 B

Gatt: EEC steps up pressure for new trade round, Page 5

World news Business summary

SA police battle with youths in Soweto

The challenge to the authority of South Africa's white government intensified yesterday as mounted troops and riot police battled with more than 1,000 youths in the Johannesburg township of Soweto. Several hundred youths hijacked buses and ordered their drivers to take them to the Protea magistrates court near the heart of the township. They aimed to show solidarity with 105 student activists arrested last Saturday after a demonstration outside the house of Soweto's mayor. Page 12

Reagan recovering

President Reagan, who is recovering well from cancer surgery, expects to meet Chinese President Li Xiangnan next Tuesday and Soviet leader Mikhail Gorbachev in November. Page 12

U.S. fraud charges

Charges of defrauding the U.S. Defense Department of \$800,000 are being brought against three former executives of a division of General Electric, the country's fourth largest defence contractor. Page 4

Greenpeace release

A French businessman, questioned in connection with the sabotage of the Greenpeace flagship in Auckland harbour, has been released. Page 4

Peres meeting

Israel's Prime Minister Shimon Peres secretly met two West Bank Palestinian leaders to discuss the prospect of Israeli and Jordanian Palestinian peace talks. Page 4

Recall demanded

The CDU-CSU, dominant partners in the German coalition Government, yesterday demanded an emergency recall of parliament's agriculture committee to examine the scandal of doctored Austrian wine imports. Page 3

Poll 'unconstitutional'

Japan's Supreme Court declared the December 1983 election unconstitutional but ruled that the Government of Prime Minister Yasuhiro Nakasone, who won narrowly, could stay in power. Page 3

Kuwait aid halted

Kuwait's parliament cancelled its commitment to the Baghdad summit resolution under which aid was given to "confrontation states" Syria, Jordan and the Palestine Liberation Organisation. Page 3

Soviet air crash

A Soviet airliner crashed on a central Asian flight this month, killing all aboard, an official report said. Up to 150 people may have died. Page 3

Miró death duties

Relatives of the late surrealist painter Joan Miró gave the Spanish Government 24 oil paintings and 243 engravings to meet death duties. Page 3

Extradition refused

Chile's Supreme Court rejected a U.S. request to extradite General Augusto Pinochet on charges of plotting to overthrow his government. Page 3

Soares declaration

Portugal's Socialist leader Mario Soares is expected to announce today his intention to stand for president in the election due in January. Page 2

Deer gift

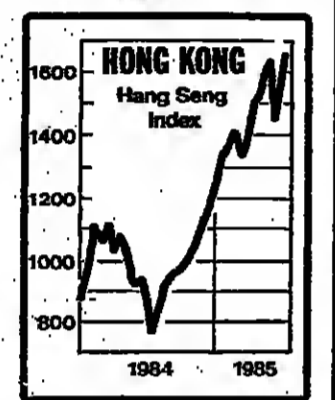
Britain's Marquess of Tavistock has agreed to give 22 rare Chinese deer from his Woburn Abbey estate to China, where they died out 80 years ago. Page 13

Philips warns of fall in earnings

PHILIPS, Dutch electronics group, said second-quarter earnings would fall appreciably below last year's F1 202m (\$30m at present rates), primarily because of the slump at Signetics, its U.S. microchip unit. Page 13

DOLLAR was weak in London, falling to DM 2.375 (DM 2.288), FF 8.61 (FF 8.757), SwFr 2.333 (SwFr 2.393) and Y34.45 (Y37.7). On Bank of England figures the dollar's exchange-rate index fell to 136.7 from 138.2. Page 23

STERLING rose sharply against the dollar in London, gaining 2.45 cents to \$1.4125. It also rose to Y34.45 (Y37.7) and was unchanged at DM 4.005 and FF 12.185. The pound's exchange-rate index rose 0.7 to 83.4. Page 29



HONG KONG stocks surged forward, led by the property sector. The Hang Seng index closed 14.91 higher at a 4-year high of 1,647.90. Page 36

WALL STREET: The Dow Jones industrial average closed 10.08 up at 1,571.97, a record. Page 36

TOKYO stock prices advanced sharply as institutions stepped up buying. The Nikkei-Dow Jones average jumped 148.23 to 12,846.49. Page 36

GOLD rose \$6 on the London bullion market to close at \$324.75. It soared \$9.25 in Zurich to \$338.50. Page 28

FRANCE had a balance-of-payments current-account surplus of FF 10.6bn (\$1.2bn) in the second quarter of this year, according to preliminary French Finance Ministry figures. Page 3

AMERICANS' personal incomes rose a modest 0.5 per cent in June while new home building activity inched up 1.9 per cent, the Commerce Department said. Page 4

BRITISH earnings in manufacturing rose by an average of 9.5 per cent in the 12 months to May, with an estimated underlying increase of 9 per cent compared with 9 per cent in April. Page 6

R.F. GOODRICH, third largest U.S. tyre manufacturer, showed a net loss of \$32.5m for the second quarter against a \$32.4m profit in the same period previously. Page 13

BOWATER, U.S. newspaper producer, suffered an 8 per cent fall in second-quarter net income to \$15.2m against \$16.5m in the comparable period last year. Page 13

CONSORTIUM of Kinnaird Gull of Japan and Yubetsu Inset of Iceland has emerged as front-runner to build a new Gulltunga bridge across the Golden Horn with a bid of \$2.6bn. Page 13

KARSTADT, West German retailer, reported a 4 per cent drop in first-half sales to DM 4.05bn (\$1.4bn). Page 13

NIXDORF, West German data-processing company, is joining forces with Pyramid Technology of the U.S. in "supermini" computers. Page 13

\$ collapse would threaten progress, warns Fed chief

BY STEWART FLEMING IN WASHINGTON

MR PAUL VOLCKER, chairman of the Federal Reserve Board, warned yesterday that a collapse in the value of the dollar posed the "greatest potential threat to the progress we have made against inflation," adding that the risk of a sharp fall in the U.S. currency would be magnified by a slack monetary policy.

The Fed chairman's comments came as the dollar slumped again on the foreign exchange markets and many U.S. interest rates declined amid continuing uncertainty about U.S. growth prospects.

In urging renewed efforts to address what he sees as unsustainable trends in the way the U.S. economy is expanding, Mr Volcker returned to familiar themes, urging action to cut the federal budget deficit and again pressing other industrial countries to "foster more expansion at home in their own interest as well as that of a better balanced world economy."

He also issued his most blunt warning so far about the threat of an upsurge in protectionist sentiment next year.

Commenting on Fed monetary policy, Mr Volcker said the central bank has "accommodated a sizeable increase in monetary and credit growth... but there are obvious

limitations to the process of monetary expansion without threatening the necessary progress towards stability."

The Fed chairman said that he expected growth in the U.S. in the second half to rebound by an annual rate of about "4 per cent plus."

Asked what current Fed policy implied for interest rates, Mr Volcker firmly refused to predict the likely trend, saying: "It all depends what happens in the economy." He repeated his assertion that the Fed had not fundamentally altered its accommodating monetary policy this year.

Pressed on the possibility of a discount rate cut, Mr Volcker told Congressmen Chalmers Wylie that he would not want him to presume that the Fed was going to cut the discount rate soon.

Commenting on the inflationary implications of the recent fall in the dollar, the Fed chairman said: "I do not think the decline so far has presented problems," but if the pace of the decline continued, "problems would arise in the future."

He cited several factors, including falling productivity and soft oil prices, slower growth and a moderation of wage increases since last

year, which were "working against inflation."

Looking at the longer term outlook, Mr Volcker repeated again his concerns about the imbalances in the U.S. economy, a sluggish manufacturing sector and the increasing dependence of the economy on rapidly growing domestic and foreign debt, which he said could be tackled by monetary policy.

"A bad monetary policy - that poses a clear inflationary threat of its own and undermines confidence - would be destructive of all that has been achieved," he argued.

Similarly, the longer dependence on foreign capital continued, "the more severe the subsequent adjustments in the exchange rates and in our economy are apt to be. We will have paid dearly for any short-term benefits."

To help tackle the problem, he again urged Congress to cut the budget deficit, if not with spending cuts then by raising taxes. "The hard fact remains that so long as we run massive budgetary deficits we will remain dependent on unprecedented capital inflows to help finance... the deficit."

Details, Page 4; Editorial comment, Page 10

Dollar declines sharply on European exchanges

BY MAX WILKINSON, ECONOMICS CORRESPONDENT, IN LONDON

THE DOLLAR fell sharply in Europe yesterday in reaction to suggestions by Mr Paul Volcker, chairman of the U.S. Federal Reserve Board, that the currency would need to decline further.

His testimony to Congress was taken initially to imply that interest rate policy would remain easy because of concern about the deceleration of U.S. economic growth.

In London, the dollar fell at one point to DM 2.43, 8 pence below Tuesday's London close, amid some wild rumours about President Ronald Reagan's health.

The markets later settled down, however, and the dollar recovered slightly to a closing rate of DM 2.358 in London, with some further gains in early trading in New York. The general weakness of the dollar benefited sterling along with most other currencies, pushing the pound up 2½ cents to a London closing rate of \$1.425.

Although sterling was unchanged against major continental European currencies, London money market rates moved down earlier in the day as speculation rose that a further cut in banks' base lending rates might be in prospect.

The Bank of England acted firmly, however, to disperse the market on this idea. It refused to take out the full £1.7bn (\$2.4bn) shortage in the money markets in the morning, then lent £600m at 12 per cent, ¼ of a percentage point more than its prevailing rate for bills of up to 14 days' maturity.

The British authorities seem determined to maintain interest rates at a relatively high level so long as they see a danger of excessive monetary growth or renewed inflationary pressure.

The authorities' anxieties were highlighted yesterday by separate figures which showed a rapid rise in credit issued to the company sector in the first three months of this year, coupled with some upward drift in the rate of increase in average earnings in the manufacturing sector.

The Bank of England took the opportunity yesterday to announce the creation of an additional £900m government stock distributed between five existing bonds. They were £200m each of 11 per cent Treasury stock due in 1989, 9½ per cent Exchequer 1998, 11½ per cent Treasury 2001-2004, 10½ per cent Exchequer 1997, and £100m of 9½ Exchequer 1998.

Alexander Nicoll writes: Volume on the London International Financial Futures Exchange (Liffe) reached a record level yesterday of 23,680 contracts traded.

Economic Viewpoint, Page 11; Lex, Page 12; Money markets, Page 25

Britain launches fraud probe at JMB

By David Lascelles and Peter Riddell in London

BRITISH police are to investigate Johnson Matthey Bankers to establish whether criminal offences lay behind its near-collapse last year with losses of £248m (\$350m).

Mr Nigel Lawson, Britain's Chancellor of the Exchequer, announced in the House of Commons yesterday that investigations into the stricken bank's affairs had revealed serious and unexplained gaps in the records of Johnson Matthey Bankers, including the possibility of missing documents relating to substantial past transactions on certain accounts that are the subject of large losses.

Strictly speaking, he said, there was not so far prima facie evidence of fraud. But, in light of the missing records, Johnson Matthey Bankers (JMB) had decided to call in the City of London police to conduct a preliminary inquiry to see whether any criminal offences may have been committed.

The result of this inquiry will be reported to the Director of Public Prosecutions, who will decide what further action should be taken.

The revelation that there were sufficient suspicions to warrant a police inquiry came as two Labour MPs made allegations in the Commons of specific fraud against named company directors in connection with the JMB affair.

Mr Lawson's announcement is undoubtedly an embarrassment for the Bank of England, which has already been widely criticised for its handling of Johnson Matthey.

In its definitive report less than a month ago, the central bank blamed JMB's enormous losses on "serious shortcomings" in its management. "No evidence of fraud by the directors or staff of JMB has been discovered," it said. The explanation, yesterday for the graver view that has now emerged of JMB's possible problems was that the gaps in the documents had been discovered since the report was written.

The possibility of fraud may also complicate the suit for damages that has been launched by the Bank of England and JMB against Arthur Young, JMB's auditors, who gave it a clean bill of health only three months before the collapse last September.

The decision to call in the fraud squad was taken by JMB and the Bank of England, in consultation with the Treasury.

The Bank of England now owns JMB, and has injected £100m of capital into it. The Bank has also put up half of the £28m supplied by

Continued on Page 12

BankAmerica loses \$338m in quarter

BY PAUL TAYLOR AND WILLIAM HALL IN NEW YORK

BANKAMERICA Corporation, the world's second biggest banking group, yesterday surprised Wall Street by announcing a \$338m loss in its latest quarter - the highest quarterly loss by a U.S. bank with the exception of Continental Illinois, which came close to collapse last year.

Only six weeks ago the San Francisco-based group surprised the banking community by predicting that it would just break even in the second quarter.

Yesterday's announcement sent BankAmerica's share price lower and by midday it was 5½ down at \$17½ with 2.7m shares changing hands.

The news is the latest in a series of setbacks for BankAmerica. Its earnings have been sliding for four years, and it has been hit particularly hard by credit quality problems among some of its most important customers and an embarrassing mortgage-backed securities fraud.

The loss primarily reflects a huge \$527m addition to the bank's loan loss reserves, which lifts the cushion against future losses to \$1.5bn or 1.81 per cent of outstanding loans.

The dramatic increase in reserves follows an examination by U.S. bank regulators of the group's \$84bn loan portfolio and is the latest sign of the pressure being wielded by the regulators, who have let it be known that they are unhappy with the group's recent performance.

National bank examiners began a detailed examination in April. BankAmerica said yesterday that the investigation is now "largely completed."

Mr Sam Armacost, the 48-year-old chief executive of BankAmerica, explaining why the latest figures were so much worse than his forecast of early June, said: "We have taken higher loan losses than we anticipated at that time. However, by recognising these problems and, in going beyond them, by substantially increasing our reserves, we are taking direct and forceful action to respond to recent developments that reflect continued pressure on a number of our customer segments, particularly the agricultural, shipping, commercial property and foreign sectors."

In addition to the \$527m increase in loan loss reserves, BankAmerica said it had written off \$382m in troubled loans during the latest quarter. But despite this, the group's portfolio of non-performing loans actually increased from \$3.54bn at the end of March to \$3.57bn at the end of June. This represents 4.3 per cent of total

BankAmerica's ratio of net loan losses to average loans is more than three times the industry average and, despite massive write-offs, its portfolio of troubled loans continues to grow, according to Wall Street analysts. "To say these results are awful is to put it mildly," said one. Background, Page 13; Lex, Page 12

loans - one of the highest ratios in the industry.

Following the latest announcement, Wall Street's attention will be focused on the group's next board meeting to decide dividend policy, scheduled for August 5. In the first six months of this year, BankAmerica has lost \$224m, or \$1.71 a share, compared with net earnings of \$211m or \$1.15 a share last year. Several Wall Street analysts said yesterday that they expected the group to maintain its \$1.52 a share annual dividend to maintain shareholders' confidence.

Mr Armacost said yesterday: "While the decision to increase the loan loss reserve is painful in terms of short-term results, our management and board believe that bolstering the reserve is a prudent course for the long-range benefit of the corporation."

In contrast to the BankAmerica result, Bankers Trust New York, holding company for the city's sixth largest bank, followed the trend set by most other big U.S. banks by posting a sharp rise in second quarter net earnings.

Profits also rose sharply at First Interstate Bancorp, the fast-growing California banking group, and at Manufacturers Hanover, the fourth largest U.S. banking group.

Bankers Trust boosted second-quarter net profits from \$72m or \$2.25 a share to \$87.2m or \$2.55, lifting six-month earnings from \$140m or \$4.69 a share to \$179.8m or \$5.28. Assets of the bank, which has completed a move out of consumer banking to concentrate on commercial banking and corporate finance, edged up from \$43.2bn a year ago to \$43.9bn at June 30, while loans outstanding slipped from \$24bn to \$23.6bn.

Manufacturers Hanover said net earnings increased to \$98.3m or \$1.97 a share in the second quarter, from \$73.7m or \$1.41, boosting first-half net earnings to \$198.8m or \$3.98 a share from \$157.7m or \$3.28.

The group said the results reflected 18.3 per cent and 20.1 per cent respective increases in second-quarter and first-half net interest income. The results include substantial

Continued on Page 12

A report on the state of play at Cambridge Science Park

50 FIFTY UP 50

The rules of what became Association Football were first codified by a representative gathering of students at Trinity College, Cambridge, in 1848 - 2 years before Clerk Maxwell entered the College and nearly 2 centuries after Newton did so. Sadly the College has no close connection with the rules of cricket but at the height of the 1985 cricket season it is pleasant to record that Trinity's 130 acre Cambridge Science Park is scoring strongly and has passed its half century of occupancy.

Occupiers of Phases 1-3 (82 acres)		
Agricultural Genetics	Datsapak	Noblelight
Alper Systems	Datsapak Medical	Optronics
Altek Automation	Gill Jennings & Every	Organon Laboratories
Artes Computers	Goodfellow Metals	Organon Teknica
Cambridge Communications	Hawkins (R.B.) and Associates	Orla Micro-communications
Cambridge Consultants	IBM (UK)	Pelra
Cambridge Electronic Design	Innovet Laboratories	Posterior Energy Controls
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Cambridge Life Sciences	Laser-Scan Laboratories	Investronics
Cambridge Micro Computers	Leitch Instruments	Quados
Cambridge Online Systems	LKB Biochrom	Rheonics Systems
Cambridge Radiation	Marconi Applied Research	Rider-Rich Consulting
Technology	Laboratories	Signal Processors
Cambridge Robotics	Microtronic Systems	Systel Telematics
Cambridge Venture	Mobina	Tadpole Technology
Management	Monotype Advanced Development	Torres Systems
CANTAB Group	Microelectronics Research	Trinity Centre
Chelara	Laboratory	Ultra Violet Products
Cherent (UK)	University of Cambridge	Valsala (UK)
Computer One	Napp Laboratories	Voice Systems

Applying the vast range of local scientific expertise to helping high technology is the aim of the Park. University/Science Park contacts are numerous, varied and fruitful, encouraged by a grants scheme for company research staff seconded part-time to University Laboratories on work of mutual interest. The Trinity Centre provides conference rooms and a common room to encourage inter-company contacts. The Park is England's first and largest academic-related project of this kind. Buildings range from 120,000 sq. ft. prestige headquarters to 400 sq. ft. starter units for small companies or large company listening-posts.

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BankAmerica: how the problems piled up 13

EUROPEAN NEWS

Big losses for Spanish holding company

By Tom Burris in Madrid

THE CONTINUING burden on the Spanish economy represented by the Instituto Nacional de Industria (INI), the sprawling public sector holding company, was sharply highlighted yesterday when its chairman, Sr Luis Croissier, revealed 1984 losses for the group that totalled Pto 138,940 (\$220m).

Losses in 1983 were said last year to stand at Pta 161,500 but Sr Croissier revised that figure upwards to Pto 204,200 by including accumulated losses on INI investment projects that had been left outside the 1983 losses total.

The accounting system introduced by Sr Croissier, who was appointed INI chairman last November, allowed the institute to claim that last year's losses were down by 8.2 per cent on the previous year.

Sr Croissier said that losses last year had been reduced for the first time since INI went into the red in 1978. A year ago, Sr Croissier's predecessor, Sr Enrique Moya, had claimed that on the basis of a Pta 161,500 shortfall, the increase of INI losses was for the first time less than it had been in previous years.

As in the past, the group's losses are concentrated on the car producer, Seat, the national airline, Iberia, and the ship-builder, Bazan, which together lost Pta 35bn. The group of INI companies that are presently being subordinated to industrial reconversion and which are in the steel sector lost a further Pta 85bn.

The inbuilt feature of INI's troubles remains the crushing weight of financial charges on loans. These represented Pta 229bn, a 6 per cent increase on the cost of debt servicing in 1983. Total income for the INI group last year was Pta 1,719bn.

Plans are afoot to drag the Dutch into the nuclear age, writes Laura Raun

Energy shortage may lead to N-power

WHEN FUTURE Dutch children read their history books, the year 1985 may be chronicled as the Netherlands' rather late entry into the nuclear age. A new era seems to be dawning in which economic and political aspirations are overriding the virulent environmentalism and pacifism of the past.

Critics argue that the centre-right Government of Prime Minister Ruud Lubbers is brazenly flouting public opinion with its drive to expand nuclear energy. But it is fairly clear that after a tumultuous decade of powerful nuclear opposition, the Dutch are tiring of what seems to be a losing battle.

The same could be said of nuclear defence policy. The Parliament probably will vote in November to accept nuclear missiles on Dutch soil in a move that will finally fulfil a twice-delayed pledge made to Nato in 1979. The Government's desire to restore its dented credibility within Nato is likely to prevail over a well-organised and articulate anti-missile movement that nevertheless has failed to determine public political will.

The biggest step toward nuclear power in Dutch history was taken recently when the Parliament's approval of a Cabinet recommendation to build at least two more nuclear plants with a combined generating capacity of 2,500 megawatts (MW).

The surprisingly peaceful vote contrasted sharply with an official National Energy Commission report last year which showed that an overwhelming three-quarters of the population wanted no more nuclear generators. The Netherlands has one small, commercial nuclear plant and another, even smaller, experimental one, but they account for a minuscule portion of all energy produced.

The Dutch have eschewed nuclear power on the very real fear that an accident would affect millions of people in a small, crowded country, the most densely populated

Senior Dutch Government representatives are scheduled to arrive in Rome today for talks with Argentine counterparts about F1 300m (\$92.6m) owed to the Netherlands stemming from a 1,800km gas pipeline project.

The pipeline was built by the Cogasco subsidiary of Boskalis, a financially troubled Dutch construction company, and was to be operated by the subsidiary

land in Europe. Furthermore, the problem of radioactive waste never has been satisfactorily solved.

Spent fuel from the 477 MW plant at Borssele and the 50 MW facility in Dordrecht is sent to France and the U.K. for reprocessing, but it eventually must be returned to the Netherlands. Low-grade radioactive waste is temporarily being stored in Petten until a permanent disposal method is found.

The Netherlands' vast natural gas reserves also have provided a safe, clean alternative to the mysterious and often frightening atomic energy that is still linked with the U.S. Three-Mile-Island nuclear accident several years ago.

Since discovering the Groningen gas field in 1959, the Dutch have catapulted to the fourth largest producer in the world and have built an extensive distribution network that satisfies more than half of the country's energy needs. Gas sales provide 12 per cent of the Government's revenues.

But natural gas will begin running out in the next century and so Dutch energy policy for years has been geared to diversification and conservation and more recently, price stability. Despite the effort to diversify energy sources, however, nuclear power today still generates only 5 per cent of all electricity compared with 70 per cent in France, nearly 60 per cent in Germany, and 30 per cent in West Belgium.

The Dutch have paid a high price for this virtual no-nuclear policy, which has required increasing amounts of imported electricity. Electricity costs the Dutch 18.5 Dutch cents per kilowatt hour, or one-third more than the French and one-fifth more than the West Germans. Dutch electricity prices have also risen much faster than those in neighbouring countries.

Industry argues vociferously that it must have lower energy costs to remain internationally competitive. Cheap energy prices during the post-war recovery gave rise to important industries such as petroleum refining, chemicals, horticulture and steel making. Now these energy-intensive industries have wrangled state energy subsidies but the European Community is dedicated to removing such handouts.

The Government contends that nuclear generation is the cheapest power source to help to fill the severe energy shortage that will develop by the end of the century. The economics Ministry calculated that one kilowatt hour then would cost only 87 cents compared with 13 cents for gas and 11.2 cents for coal. This price advantage would remain if the other energy prices fell 15 per cent, Economics Minister Mr Gijb van Aardenne asserted.

These calculations were angrily refuted by MP Mr Ad Lansink, a back-bencher in the Christian Democrats, the senior partners in the governing coalition with the right-wing Liberals. Mr Lansink notes that an industry journal

for 15 years. But the Argentines have made only one F1 21m payment since last year and still owe about F1 300m in interest and principal.

The Dutch Government could lose more than F1 2bn on the Cogasco project because of reinsurance on Boskalis's investment and a loan from Amsterdam-Rotterdam Bank, which was insured by the Government's export credit agency.

showed nuclear energy could cost up to twice as much and that wind-power - historically a strength of the Dutch - could cost half as much as Mr van Aardenne's figures.

Other critics argue that the Government's forecast of an 8,000 MW energy gap by the year 2,000 is far too high.

In the most optimistic scenario, no new nuclear generator would be on line before 1995, and even that would be very fast by international comparison. A tangle of permit procedures, which are among the most complex in Europe, are expected to take four years and actual construction six more years.

By early 1990, the Government hopes to finish preliminary discussions with residents and community leaders in the six localities recommended by the Cabinet as possible sites for the new plants.

Mr van Aardenne aims to garner local support with the promise of 25,000 jobs and F1 7.6bn (\$2.3bn) investment involved in plant construction. In a country where the jobless rate has remained stubbornly high for years, this argument eventually could even make some headway with the trade unions and Labour Party, who adamantly oppose the plants.

The provincial leader of North Brabant, one of the potential sites, already has said a nuclear plant would be welcomed in his territory. An industrial area near Rotterdam, Moerdijk, has failed to draw as many new companies as developers

had hoped and could use a big tenant.

The public hearings, however, also could draw fresh support from the environmental, peace, religious and women's groups who decry the Government's blatant disregard for the National Energy Commission report.

The Commission's scientists, academics, lawyers and former politicians toured the country in 1983-84, interviewing 42,000 people on energy policy. The conclusions which combined public opinion with the panel's recommendations, were that no new nuclear plants should be built and that future energy policy should promote gas, oil and coal.

What seems more likely than a resurgence of anti-nuclear forces, however, is a resignation to openly admitting economic and political realities. If the National Commission was unable to sway Government policy, local residents may ask themselves how can little communities do better.

Parallel to the public hearings, which will be conducted by the Environment Ministry, will be recommendations on the six possible plant sites from the National Advisory Council for Physical Planning. This report will go to Environment Minister Mr P. Winsemius, who ultimately must give permits but who has taken a far more cautious line than Mr van Aardenne of the Economics Ministry. These two ministers already have clashed at each other through the Dutch press and an open confrontation cannot be ruled out.

Equally as protracted could be the discussions on nuclear waste disposal. Three possible sites for an above-ground, temporary (up to 100 years) storage facility are to be recommended by a panel in October. That will be followed by a lengthy environmental report that must include public sentiment and an assessment from the public health and environment inspector and an analysis from the Agricultural Ministry.

Scheme to save Venice takes step forward

By James Burston in Rome

A HERCULEAN engineering project to save Venice from the state waters of the lagoon which surrounds it has taken an important step forward. The Italian Government in the past few days has signed a convention with a consortium of construction companies.

The consortium, called Venezia Nuova, intends to build the dams and steel structures designed to block off the lagoon when it is threatened by the high water which floor or five times every year floods St Mark's Square and other low-lying parts of the city.

The project aims first to narrow the three entrances from the Adriatic into the lagoon. Then, under the remaining gaps, barriers will be installed consisting of vast steel tubes. Most of the time the tubes will lie in concrete housing on the seabed, but when high water is threatened air will be pumped into them and they will rise to the surface, forming a wall to block off the lagoon entirely. The project has been the centre of endless debate ever since the issue of "Venice in Peril" came to the fore after the disastrous floods of 1966. Since then, the restoration of Venice has gone ahead in earnest and big efforts have been made to reduce both the atmospheric pollution and the pollution of the waters of the lagoon.

But the plan to close the entrances to the lagoon against the rare but damaging combinations of strong winds and high tides which produce the high water, has been left until last.

Last autumn, the Italian Parliament approved the spending of an initial L888m (\$21.6m) on the scheme over the period to 1986, and gave its blessing in principle to the spending of a further L3,490bn at 1984 prices on the construction of the project itself.

Venezia Nuova consists of large and small construction companies, led by the major companies of the state-owned IRI-invested group, and by Impresit, which belongs to the Fiat group. It is to spend L888m on creating a permanent research centre to carry out further analyses of the problems of the tides and pollution of the lagoon. The rest of the money will be dedicated to detailed design work on the project for closing the lagoon entrances.

However, it will require further Acts of Parliament before the money earmarked to the project itself can be handed over to the consortium.

The project for closing the lagoon entrances, which will take several years to realise and could well cost much more than the funds provided, is still controversial. There are fears that the reduced accessibility could hinder the ports of Venice and Porto Marghera, which together are Italy's third busiest.

Soviet allies cower as Gorbachev cracks the whip

BY DAVID BUCHAN, EAST EUROPE CORRESPONDENT

Mr Mikhail Gorbachev has struck anxiety into the hearts of some of his East European allies with recent strong hints from Moscow that he will turn on them the same disciplinary tactics which he has prescribed for the Soviet Union itself.

The requested discipline does not take, of course, the form of weeding out the incompetent, corrupt and dithering from East European hierarchies, as Mr Gorbachev is doing at home. It is rather that, as the June 21 Pravda article which East Europeans have been closely scrutinising puts it, Soviet countries should close ranks in the face of "imperialism's unprecedented pressure on world socialism". The smaller allies should leave East-West diplomacy primarily to Moscow, and that all allies should eschew nationalism easily perverted into "anti-Sovietism" and avoid central state control.

The public signals from Moscow are not always easy for its allies to read. Even when clear, they are sometimes ignored. Initially, the Pravda article, for instance, was fully reprinted in the Czech and East German press, but got minimal coverage in the Hungarian and Polish media. But now that the allies had a chance to check through their multi-ferocious back channels to Moscow, at least some of them seem convinced that the Pravda article, written under a pseudonym, had the highest Kremlin imprimatur.

What, then, are Moscow's concerns? First, the new Soviet leadership is perhaps directing its warnings in an internal audience, to let Russians know the limits of the new "flexible and up-to-date economic mechanism" which Mr Gorbachev said last week he would work out by the end of this year. Mr Yegor Ligachev, Mr Gorbachev's Politburo right-hand man, had already complained that some of the Western press had got it wrong in describing the new economic changes as tending towards market socialism.

Consequences

Now, Pravda has reinforced this warning, telling "certain scientists", presumably in the Soviet Union as well as in Eastern Europe, that their advocacy of "weakening the state levers" in centralised planning, propagating market competition and increasing the size of the private sector, is fraught with "serious economic, social and ideological consequences".

The article's coincidence with the resignation of Mr Grigory Romanov from the Politburo also sent out a timely message that the dropping of the leading orthodox dogmatist from the Kremlin inner circle does not spell an outbreak of liberalism inside the Soviet Union.

Second, Moscow is reminding its allies what several years of illness weakened Kremlin leadership may have led them to forget - that their membership of the eastern alliance imposes a certain framework on

their policies. Strong emphasis on "national models of socialism", rapid expansion of private enterprise and any East European pretensions of act as "mediator" between Moscow and Washington lie, in the Kremlin's view, beyond the socialist pole.

For the East Europeans to heed these warnings, as they surely will, does not entail any great reversals in current policies. Now that the Russians are back on speaking terms (in the Geneva disarmament talks and in the forthcoming summit) with the Americans, Hungary's active East-West diplomacy and even East German feelers about more contacts with West Germany inevitably attract less publicity.

Universal truth

Hungary, in which some Soviets feel crypto-capitalism has made most inroads, plans no major expansion of its private sector in its 1988-90 plan. In the forthcoming summit with the Americans, Hungary's active East-West diplomacy and even East German feelers about more contacts with West Germany inevitably attract less publicity.

But since it does not intend to let private ownership spill over from agriculture (which is 75 per cent private) to industry or to relax its suppression of Solidarity, this does not seem to bother Moscow. But the under the pseudonym had the highest Kremlin imprimatur.

Mr Gorbachev shows every sign of wanting to "manage" his alliance more vigorously than his predecessors. He will hold, as Pravda indicated, more "regular and timely" Soviet bloc summit meetings. Mr Ligachev's remarks have been rather apocalyptic in recent years, and Comecon managed to go for 15 years (1969-84) without a proper summit. As the youngest leader now in the Soviet Union, he will undoubtedly have the energy to do so. He has also replaced as foreign minister Mr Andrei Gromyko, who had a reputation for being downright rude to smaller allies, with Mr Eduard Shevardnadze, a man with enough Georgian charm to put some restraint on the Soviet fist.

The Warsaw Pact has just been renewed without formal institutional change. But even before Mr Gorbachev's advent to power, there were signs that Moscow was seeking to make more of those disarmament issues that most concern them, such as medium range missiles. But, once consulted, the allies are to toe the Pact line.

Mr Gorbachev has made clear he wants more discipline in Comecon, better and timelier fulfilment of contracts, and higher quality in what it buys from Eastern Europe. But he has proposed no real reform of the eastern trading system. As one East European put it, the Soviet leader is making the same mistake with Comecon as with the Soviet economy, "using too much stick and not enough carrot".

Soares poised to make bid for presidency

BY DIANA SMITH IN LISBON

PORTUGAL'S SOCIALIST leader, Sr Mario Soares, is expected to make a formal announcement today of his intention to run for the presidency of the republic. The presidential election is due early next January.

It has long been understood that the 60-year-old moderate Socialist, who led the groundswell against the Communist advances in 1975 and pioneered Portugal's bid to join the European Community, wanted to cap his career with the presidency.

The office has no executive powers in Portugal but plays a strong influential role and ensures continuity in the country's many government crises.

Sr Soares is joining a crowded field. The prominent Christian Democrat, Professor Diogo Freitas do Amaral, has staked out a strong position to the right of centre, hoping to attract many Social Democrats as well as the Christian Democrat Party that he formerly led.

Left of centre, Sr Maria de Lurdes Pintasilgo, briefly a presidential candidate, was Premier in 1979 and a left-wing Roman Catholic with a strong Third World philosophy, could draw not only independent left-wingers, but strong Communist support for her campaign.

Senior military officers have also indicated that they might run for president. One could wind up as candidate for the newly formed Democratic Renewal Party (PRD), the grass-roots movement that grew up around the personality of the outgoing chief of state General Antonio Ramalho Eanes, who is constitutionally barred from running for a third term but wants to retain some form of political influence.

There are several colourful candidates for the presidency:

A manufacturer of a pungent ewes' milk cheese from the centre of Portugal who has announced that only he can save the nation's philosopher-businessman from the north and a poet. These are not expected to poll heavy votes, assuming they are able to rally enough signatures to be officially recognised as candidates.

The Socialists will be pushing for a strong victory in the snap October parliamentary elections on the argument that, with them in government, a Socialist President would be a logical sequel, avoiding many of the political squabbles that have dogged the country since it returned to democracy in 1974. It is not yet clear whether the Social Democrats, whose new leader Professor Anibal Cavaco Silva is proving to be something of a maverick, will actually support the Christian Democrat candidate. They could still field a civilian or military candidate of their own thereby making it hard for Prof Freitas do Amaral to fulfil his presidential ambition.

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First half results from Britoil

Consolidated Profit and Loss Account (Unaudited)	Six Months ended 30.6.85 \$ million	Six Months ended 30.6.84 \$ million
Turnover	968.1	645.9
Operating profit	364.1	282.1
Net interest (payable)/receivable	0.6	(2.1)
Profit on ordinary activities before taxation	364.7	280.0
Taxation		
Petroleum Revenue Tax		
- excluding safeguard	(206.6)	(165.8)
- safeguard	8.9	15.6
Corporation Tax	(75.6)	(66.4)
Profit for the financial period	91.4	63.4
Dividends	(20.1)	(16.5)
Amount set aside to reserves	71.3	46.9
Earnings per share	18.19p	12.66p
Dividend per share	4.00p	3.30p
Funds generated from operations less tax paid	257.8	290.5
Additions to fixed assets	330.9	269.9

DIVIDENDS

The Directors have decided to pay an interim dividend of 4.00p per share. Except in the case of the shares which are to be the subject of HM Government's proposed Offer for Sale, payment will be made on 1st October 1985 to shareholders on the register at the close of business on 2nd September 1985.

THE SIX MONTHS' HIGHLIGHTS

- * Turnover increases to £968.1 million. Revenue from equity production at £775.6 million is up £143.7 million (23%) on the 1984 first half year. The remainder of the increase is due to sales of purchased petroleum at £192.5 million (£14.0 million in 1984).
- * Pre-tax profit increases to £364.7 million, up £84.7 million (30%) on the 1984 half year, and after-tax profit to £91.4 million, up £28.0 million (44%).
- * Oil production (including LPG and condensate) averages 178,300 barrels per day (157,800 barrels per day in the 1984 half year) and gas production 256 million cubic feet per day (226 million cubic feet per day in the 1984 half year).
- * Is acquiring interests in 23 UK landward licences, including the Humby Grove oil field and the Horndean and Herriard oil discoveries, and 3 UK offshore licences, including the Glenn field, from Haddon Petroleum International plc.
- * Farmed in with an initial 16.5% interest to Texaco operated block 3/4a and the option of a further 33.5% interest in a development. Interests in other blocks also acquired by farm-in.
- * As operator, commenced the assembly of the Clyde jacket and completed water injection drilling at the Beatrice 'C' site. First production achieved from the partner-operated Statfjord 'C' platform.
- * Maintained position as one of the most active UKCS explorers, involved in a total of 19 wells spudded. Awarded, with partners, 19 blocks in the North Round.
- * Further expansion in the US giving Britoil close involvement with two more companies making four in total; an agreement signed with Freeport-McMoRan Inc. to acquire a 25% interest in assets recently acquired by them from Midlands Energy Company; an agreement for a joint three year exploration programme signed with the Williams Exploration Company.
- * Other overseas activities continue to expand - licences awarded in Thailand (onshore near Bangkok), the Netherlands (offshore blocks F/15a, K/4b, K/5a and K/16) and Norway (offshore block 25/7). The Thai licence is Britoil's first Far Eastern operation.
- * Gas discovery made on Kangean block in Indonesia.

For a copy of the Interim Report please complete and return the coupon to the Company Secretary Britoil plc, 150 St Vincent Street, Glasgow G2 5J. Existing shareholders will receive the Report shortly.

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Energy at work for Britain

EUROPEAN NEWS

Europe fails to agree on Star Wars participation

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

THE SEVEN member governments of the Western European Union have failed in their latest attempt to co-ordinate policies on European participation in the U.S. Strategic Defence Initiative (SDI)—the so-called Star Wars programme.

A meeting in London on Tuesday of senior officials from the seven nations broke up in some disarray with serious differences of approach being expressed by Britain and France. The officials were unable to agree the text of a report which the defence and foreign ministers of the WEU had commissioned at their meeting in April.

The differences centre on whether the WEU is the appropriate forum to discuss and co-ordinate policy on the political and strategic aspects of the SDI. The seven accept that the WEU can create the practical matters involved in European co-operation, for example, negotiate contracts for work on the U.S. \$26bn research programme.

The differences on the SDI mirror a deeper—and, for much of the past year, relatively latent—disagreement between Britain and France over the degree to which a reactivated WEU should be used to co-ordinate the overall defence and security policies of its members.

France, backed by Belgium and Italy, sees a more pronounced role for the WEU in this field than Britain. With an eye on Washington's known reservations about the WEU, Britain is again maintaining that the proper place for such defence policy co-ordination is the 16-member Nato alliance, which includes the U.S.

The seven governments—Britain, France, West Germany and Italy and the Benelux states—were provoked into trying to co-ordinate their views on the SDI by Mr Caspar Weinberger, the U.S. Defence Secretary. In March he gave Europe, plus Japan, Australia, New Zealand and Israel, 60 days to say if they wanted to participate in the SDI research programme.

The 60-day ultimatum was later withdrawn, but clear responses, at least in principle, have come so far only from France, which opposes the SDI on technological and strategic grounds, and Britain, which favours SDI research and British participation in it.

These Anglo-French differences, made it obvious from the start that there could be no common "European" or "WEU" policy on the SDI. However, Britain's insistence on Tuesday that the official working group should only discuss the practical and not the strategic or political aspects of collaboration in the programme has disappointed a number of its allies, including



Weinberger: ultimatum

the Benelux governments. The latter had apparently been hoping to clarify their own positions through a full discussion of the SDI within the WEU. None of the seven governments expects to give a formal response to Mr Weinberger's invitation before the autumn.

The scepticism is greatest in Paris, although all seven governments share a worry that if European companies do participate, the flow of technology will be one way—from Europe to the U.S.

The French Government is sceptical about the technical feasibility of the proposed missile defence, and alarmed about its ultimate implications for France's independent nuclear deterrent, now being updated at great cost.

France believes that the U.S. invitation to European companies to participate in the research programme was mainly a political ploy to secure European approval for the SDI. Some companies—including the state-controlled Matra group—have shown interest, but the Government believes any such participation would be relatively small scale.

At the same time, it has been heartened by greater than expected European support for its Eureka programme which aims to bring about a general improvement in Europe's technological base—to strengthen expertise in both military and civil fields.

In Bonn, a *de facto* consensus appears to be emerging over the whole SDI question after the discussion and divisions of recent months. Chancellor Helmut Kohl's own initial enthusiasm for full-scale West German involvement has cooled, thus eliminating some of the "sharp" distinctions between himself and Herr Hans Dietrich Genscher, the Foreign Minister, who never concealed his misgivings about the SDI.

At a news conference recently, Herr Kohl predicted that co-operation would essentially take the form of contracts placed by the U.S. Administration with individual companies.

Herr Kohl is particularly keen, however, that this should not result in a one-way transfer of technology to the U.S.—nor a European brain drain.

British support for the SDI as a research programme was made clear by Mrs Margaret Thatcher, the Prime Minister, when she addressed the U.S. Congress in January. The UK Defence Ministry is currently examining the practical problems involved in company participation, while the Foreign Office is responsible for policy on the SDI as a whole. Both ministries refused yesterday to give any details on the likely formal British response to the U.S. invitation.

Italy, like its allies, is sending senior officials to Washington to discuss the SDI. A delegation leaves next week led by Sig Renato Ruggiero, secretary general of the Foreign Ministry who is co-ordinating the Italian position. The Government is cautiously in favour of the research programme, although it does not expect European companies will be allowed much share in it by their U.S. counterparts. Italian companies are pressing the government to reach an early decision.

Additional information from David Marsh in Paris, Rupert Cornwell in Bonn and James Buxton in Rome.

Current account boost for France

By Paul Betts in Paris

FRANCE had a current account balance of payments surplus of FFfr 10.5bn (£900m) in the second quarter of this year as a result of strong improvement in both the trade balance and invisibles, according to preliminary figures released by the French Finance and Economy Ministry last night.

The surplus in the second quarter reduces the cumulative deficit of the balance of payments current account in the first half of this year to FFfr 6.9bn.

The deficit in the first quarter of this year was FFfr 17.7bn.

The French Government is expecting to see the current account in equilibrium again this year or even show a small surplus. The latest quarterly surplus appears to encourage these expectations. Finance Ministry officials said the visible trade results, as calculated for the purpose of the balance of payments current account, showed a major improvement with the deficit of FFfr 21.5bn in the first quarter reduced to a deficit of FFfr 4.9bn in the second. This reflects a sharp lowering in France's energy bill in the second quarter.

OVERSEAS NEWS

Tass man in spy probe flees Japan

BY JUREK MARTIN IN TOKYO

THE hurried departure from Tokyo on Tuesday of a correspondent for Tass, the Soviet news agency, appears to throw further light on the extent to which the Soviet Union still tries to use Japan as a base for espionage activities against the People's Republic of China.

The incident also coincides with an unusual level of Japanese interest in all sorts of espionage; earlier this week, it was announced that a Japanese trading company is being investigated for illegal shipment of U.S. high tech equipment to an Eastern European country; additionally, parliament is likely later this year to debate a government Bill calling for much stiffer sentences (including the death penalty) for

Japanese and foreigners found guilty of spying.

Mr Constantine Preobrazhensky, according to other Japanese Police Agency, was apprehended on Sunday, after surveillance lasting a year.

More Overseas News Page 4

while in the process of making contact with an unnamed Chinese, only identified as a student at a Tokyo engineering college.

A short wave radio and other notes were confiscated and he was asked to return the next day for questioning. He failed to do so and left on a scheduled

Aeroflot service to Moscow on Tuesday.

The police immediately said he was a KGB agent. He was one of 20 Soviet journalists, eight from Tass, officially accredited as correspondents to the Japanese Foreign Ministry and possessed an "official" passport (which does not, however, provide diplomatic immunity). Last year a senior police officer had said that of some 300 Russians on official business in Japan perhaps one third were involved in espionage.

The last time a journalist was so implicated was the now notorious case of Mr Stanislav Levchenko, Tokyo correspondent for New Times, the Soviet magazine, from 1975-79. His re-

velations to the U.S. congress after his defection, caused a minor frisson in Japan two years ago. Mr Levchenko asserted that a prime KGB goal was to prevent closer relations between Japan and China.

Mr Preobrazhensky, like several other Soviet correspondents here, was a graduate of the Asia and Africa Institute of the State, Moscow University, often said to be a KGB recruiting ground. Many of these speak better Chinese than Japanese, though Mr Preobrazhensky, one of the more gregarious Soviet journalists, was also fluent in Japanese; he had been based in Tokyo since 1980, and twice visited Japan for lengthy stays in the 1970s.

Diet ordered to redraw electoral boundaries

BY OUR TOKYO CORRESPONDENT

THE Japanese judiciary, in a rare display of initiative, has in effect ordered the Diet to come up with an electoral

reform plan to remedy the imbalances between rural and urban constituencies.

It did so in a quintessentially Japanese way; the Supreme Court actually ruled, by a 13 to 1 vote, that the last general election, held in December 1983, was unconstitutional; but, it went on, it could not be declared invalid because that

would result in inconvenience and confusion.

In upholding several lower court rulings, the highest body, citing the constitution, said it was untenable that it should take as many as 4.4 times the number of votes to elect an MP from the most populous district compared with from the least inhabited one.

It recalled that after the 1980 election, when the disparity had risen to 3.94 to one, it had warned the legislature that the

electoral system was unconstitutional.

This year, the political parties completely failed to reach agreement on an extremely modest re-apportionment, which would have removed six seats in the 511 member Lower House from the countryside and given them to the cities. Much of the power base of the ruling Liberal Democratic Party (LDP) is in the countryside.

The Supreme Court's ruling may, on this occasion, have some practical impact, as a

sharper statement issued from Italy by the Prime Minister, Mr Yasuhiro Nakasone, demonstrated.

It may oblige the politicians to undertake electoral reform before the present Diet is dissolved and a general election called. Although next summer remains the most likely date for a general election, there are those favouring an earlier dissolution. In either event, the court has served warning that something has to be done before then.

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Bonn politicians demand action on wine scandal

BY RUPERT CORNWELL IN BONN

THE DOMINANT partners in West Germany's centre-right coalition yesterday demanded an emergency recall of Parliament's agriculture committee during the summer break to examine the still reverberating scandal of doctored Austrian wine imports.

So far no one has been reported harmed by drinking the wine, mostly sweet vintages from south-eastern Austria, which have been "enriched" by the addition of diethylene glycol, best known as an anti-freeze for car engines.

But in as pollution-conscious a nation as West Germany, the affair, which has led to the withdrawal from sale of Austrian wines of any variety in many parts of the country, has caused deep unease.

It has also generated bitter recrimination between Bonn and Vienna, mainly over exactly when the Austrian authorities informed their West German counterparts after the fraud was uncovered in April, and whether the latter reacted swiftly enough to the potential danger.

Yugoslav guest-workers urged to invest at home

BY ALEKSANDAR LEBEL IN BELGRADE

THE BELGRADE Government has proposed two new schemes for Yugoslavs working abroad to invest their savings at home and so reduce unemployment, now running at 10 per cent of the workforce.

The incentives are:

- Permission for returning guest-workers to import duty-free equipment worth up to Dinars 5m (£13,000), depending on the length of their stay abroad. Any imports above this value will attract a flat 10 per cent duty.
- A controversial proposal that

private investment in a public Yugoslav company would secure the investor or person of his choice in that company.

Under the proposal published this week, such an investment could take the form of cash, equipment, spare parts or intellectual know-how, and would become public property. But the investor would be repaid within three years, with interest either at the rate for two-year time deposits (currently 75 per cent a year) or, if the investor were also rewarded with a job, at 50 per cent.

Ireland will abolish jury awards in accident claims

BY BRENDAN KERNAN, DUBLIN CORRESPONDENT

THE SYSTEM of jury awards in accident claims in the Irish Republic is to be abolished in an attempt to reduce spiralling insurance costs. The Government also announced yesterday that losses at Insurance Corporation of Ireland, which the Government took over from Allied Irish Banks last March, total more than £140m (£140m), although most of these losses were incurred outside Ireland.

The Irish insurance industry has long claimed that jury

awards are a significant contributor to growing underwriting losses and rising premiums. But the Government is also expected to tighten motoring laws and monitor the performance of the industry itself more closely.

The latest figures for Insurance Corporation losses are £170m higher than previous estimates, but Mr John Bruton, the Industry Minister, believes the figure can be absorbed without recourse to the taxpayer.

AMERICAN NEWS

Nepotism rampant in the new Brazil

By Andrew Whitley in Rio de Janeiro

THEY CALL it the "New Republic" to distinguish it from the military regime of the past 21 years, but old ways die hard in the Brazilian administration when it comes to the hiring of public employees.

A major scandal has been revealed this week about the way in which state governors rushed to meet last Monday's hiring deadline, stuffing their payrolls with tens of thousands of additional workers hired without any open competition.

Many were totally incompetent for their allotted posts or had no idea why they had been hired in this way. Others were relatives of high state officials.

Bahia state alone took on an additional 16,258 public sector workers in five days to beat a deadline which prevents any new labour contracts or dismissals until next January. Bahia, like most state governments, is deeply in the red.

At the federal and state levels, the two parties in the governing coalition, the Brazilian Democratic Movement Party and the Liberal Front Party, have been systematically dividing up unskilled top jobs among themselves.

Qualifications were a secondary concern when it came to determining who, for example, would be the new head of COBAC, the government-run wholesale foodstuffs company, or hold directorships in the BNDES, the federal development bank.

Straightforward nepotism, disguised by the argument that an official needed to surround himself with aides he could trust, is rampant. Here the example is set from the top.

Before his death the late President-elect Sr. Tancredino Neves had named his son and his grandson to key posts in the presidential palace, while his nephew, Sr. Francisco Dornelles, was designated as Finance Minister and economy minister. Sr. Neves's successor, Sr. Jose Sarney, is not too far behind, employing both his daughter and son-in-law as important presidential aides.

VOLCKER TESTIMONY TO CONGRESS

Uphill struggle to reduce economic imbalances

BY STEWART FLEMING, U.S. ECONOMICS CORRESPONDENT, IN WASHINGTON

MR PAUL VOLCKER, chairman of the Federal Reserve Board, testified yesterday before the domestic monetary policy subcommittee of the House of Representatives. The following are excerpts from his remarks on the U.S. economy and Fed monetary policy.

● We are dealing with a situation marked by gross imbalances (in the economy) that can neither be sustained indefinitely nor dealt with successfully by monetary policy alone, however conducted.

● We are borrowing as a nation far more than we are willing to save internally.

● We are buying from abroad much more than we are able to sell.

● We reconcile borrowing more than we save and buying more than we sell by piling up debts abroad in amounts unparalleled in history.

● Our key trading partners, directly or indirectly, have been relying on our markets to support their growth, and even so most of them remain mired in historically high levels of unemployment.

● Meanwhile, our high levels of consumption and employment are not being matched by the expansion in the industrial base we will need to restore external balance and service our growing external debt.

● After two and a half years of economic expansion, too many borrowers at home and abroad remain under strain or over-extended.

At their core, these major imbalances and disequilibria may lie outside the reach of monetary policy—or, in some instances, U.S. policy generally. But they necessarily condition the environment in which the Federal Reserve acts, along with all the current evidence

	1985*		1986†	
	Range %	Central tendency %	Range %	Central tendency %
Nominal GNP growth	6.25 to 7.75	6.5 to 7.0	5.5 to 8.5	7.0 to 7.5
Real GNP growth	2.25 to 3.25	2.75 to 3.0	2.0 to 4.0	2.5 to 3.25
GNP deflator	3.5 to 4.25	3.75 to 4.0	3.0 to 5.5	3.75 to 4.75
Average unemployment rate	6.75 to 7.25	7.0 to 7.25	6.75 to 7.5	6.75 to 7.25

* Fourth quarter 1984 to fourth quarter 1985. † Fourth quarter 1985 to fourth quarter 1986. ‡ Fourth quarter 1985.

Source: Federal Open Market Committee members and other Federal Reserve Bank presidents.

about monetary growth, economic conditions and prices. In all our decisions, whether with respect to monetary or regulatory policies, we would like to work in a direction consistent with reducing the imbalances. The difficulty is that, as things now stand, some policy actions that might seem to work in that direction would tend to contribute to problems that could aggravate others.

The economic and financial environment: The pattern of slow growth has been the apparent failure of productivity to maintain the strong gains achieved earlier in the expansion period. These cross-currents in the economy, the Federal Reserve has not appreciably changed the degree of pressure on bank reserve positions which had already been substantially eased by the end of 1984.

The relatively "accommodative" approach in the provision of reserves has been designed to provide support for the sustained growth of economic activity against a background of relatively well-contained inflationary and cost pressures.

Even if reduced, some momentum of inflation has persisted in the economy as a whole and expectations remain sensitive. Currency and checkable deposits measured by the M1 (money supply measure) have on

reached a level equivalent to 21 per cent of the value of domestic production of goods. I can put the same point another way. Domestic final sales, to consumers, to businesses and to governments, appear to have been expanding at a relatively brisk rate of more than 4 per cent so far this year. Domestic output of goods and services has not nearly kept pace, rising at a rate of around 1.6 per cent.

Another potentially disquieting development has been the apparent failure of productivity to maintain the strong gains achieved earlier in the expansion period. These cross-currents in the economy, the Federal Reserve has not appreciably changed the degree of pressure on bank reserve positions which had already been substantially eased by the end of 1984.

The relatively "accommodative" approach in the provision of reserves has been designed to provide support for the sustained growth of economic activity against a background of relatively well-contained inflationary and cost pressures.

Even if reduced, some momentum of inflation has persisted in the economy as a whole and expectations remain sensitive. Currency and checkable deposits measured by the M1 (money supply measure) have on

increased much more rapidly than envisaged. At the same time, non-financial debt has continued to expand substantially more rapidly than Gross National Product. More generally, these developments also point up the apparent dependency of economic growth under circumstances existing this year on a relatively high level of debt and money creation.

Unduly prolonged, these developments would not provide a satisfactory underpinning for sustaining growth in a context of greater price and financial stability. For the time being, however, taking account of current and likely economic developments, the downward pressure on commodity prices and the high level of the dollar that has prevailed in the foreign exchange markets, the growth of M1 and debt has not, of itself, justified a more restrictive approach towards the provision of reserves to the banking system.

The dollar, more recently, has fallen back against the currencies of other leading industrial countries. At these exchange rates, prospects for stemming the deterioration in our trade accounts, much less achieving a turnaround, remain uncertain. The potential effects of interest rates and decisions with respect to monetary policy on exchange rates and the

external sector of the economy have necessarily been a significant ingredient in Federal Open Market Committee (FOMC) deliberations.

The outlook for the economy: Membership of the FOMC generally projected a pickup in economic activity over the second half of 1985, and sustained growth through 1986.

The 1985 and 1986 target ranges: The recent surge in M1 in May and June has carried that monetary aggregate well above the target range set in February. M2 and M3, while also rising rather sharply in June, have remained generally within or close to their targeted ranges. Against a background of a high dollar, the sluggishness of manufacturing output and relatively well-contained price pressures, quick and strong action to curtail the recent surge in M1 growth has not been appropriate.

The potential implications of the relatively strong growth in M1 since late last year nonetheless had to be considered carefully in developing our target range and policy approach.

You may recall that similar high growth rates in M1 developed during the second half of 1982 and the first half of 1983.

At that time, important regulatory changes involving new (bank) accounts (and) pervasive uncertainty during the latter stages of the recession appeared to affect desires to hold cash. Both circumstances made interpretation of the monetary data difficult, and M1 was de-emphasised. Those circumstances are not present today, at least not in the same way.

We simply do not have enough experience with the new institutional framework surrounding M1 to specify with precision what new trend in velocity may be emerging, or the precise nature of the relationship between fluctuations in



Volcker: "buying more than we can sell"

interest rates and the money supply. For those reasons, the committee has continued to take the view that, in the implementation of policy, developments with respect to M1 be judged against the background of the other aggregates and evidence about the behaviour of the economy, prices and financial markets.

None of the analysis contradicts the basic thrust of the proposal that we have emphasised many times—the excessive growth of money sustained over time will foster inflation.

In all these circumstances, the FOMC in its meeting last week decided to "rebase" the M1 target at the second quarter average and to widen the range for the rest of the year to 3 to 5 per cent.

The uncertainties surrounding M1... imply the need for a considerable degree of judgment rather than precise rules in the current conduct of monetary policy—a need that is reinforced by the strong cross-currents and imbalances in the economy and the financial markets. That may not be an ideal situation for... the central bank—certainly the forces that give rise to it are not happy. But it is the world in which, for the time being, we find ourselves.

Former GE executives charged with fraud

By Chris Cameron-Jones in New York

CHARGES OF defrauding the U.S. Defence Department of \$800,000 (\$263,350) are being brought against three former senior executives of a division of General Electric, the country's fourth largest defence contractor.

A federal grand jury called for charges of conspiracy and fraud to be made against the men in connection with an investigation of the \$47m Minuteman missile contract.

In May GE, which does some \$4.5bn of military business a year, was ordered to pay a maximum fine of \$1.04m after pleading guilty to defrauding the Government over the contract, and ordered to repay sums overcharged.

Mr Edward Dennis, the U.S. Attorney, said the move demonstrated that the Government is pursuing individuals instead of just their corporate employers in cases of fraudulent overcharging on government contracts.

GE said yesterday it was not a party to these latest charges. "I had accepted its responsibility when criminal charges were resolved in May. Now the Government was trying to establish who were the individuals responsible, it pointed out."

Named in the latest action were Mr Thomas E. Shaw, 54, former general manager of the research and engineering department at GE's re-entry systems division in Philadelphia, Mr Forest J. Yocum, 51, a former manager of the programmes engineering department and Mr Richard S. Davis, 53, former manager of electronic systems engineering in the department.

A lawyer for Mr Shaw, who resigned in 1981, said he had denied the charges. Mr Yocum, who denied any wrongdoing, has been transferred out of defence work pending the outcome of the case. An attorney for Mr Davis, who was fired in May, said he has agreed to plead guilty to the charges, to testify and to assist the government in its continuing investigation.

It convicted Mr Shaw and Mr Yocum could each face up to a \$100,000 fine and a 50-year jail sentence. Mr Davis could face up to 10 years' jail and a \$20,000 fine.

Synthetic fuel plant aided

SYNTHETIC FUELS, the U.S. quasi-government agency, has agreed to provide \$720m (\$507m) in new government subsidies for the nation's first large-scale commercial synthetic fuels plant, AR-DJ reports from Washington.

On a 4.1 vote the directors of the agency approved federal price supports for the \$2.1bn Great Plains Coal Gasification Project.

Modest growth in income and house starts

BY OUR U.S. CORRESPONDENT IN WASHINGTON

THE COMMERCE Department said yesterday that the personal incomes of Americans rose a modest 0.5 per cent in June, while new home building activity inched up 1.9 per cent.

Economists called the gains disappointing. "The economy is in a holding pattern," Giese, a senior economist at Citicorp, said. "It is growing very slowly at best."

A number of economists said they expected a slower economy to be reflected in second quarter Gross National Product (GNP) figures to be released today.

It is widely expected that the GNP figure will be revised downwards to about 2 per cent from an earlier estimate of 3.1 per cent.

Despite the small increase in housing starts, Mr Malcolm Baldrige, the Commerce Secretary, said the outlook for housing was good because of lower mortgage interest rates.

"Construction activity is contributing to current output and employment and also will help achieve faster overall growth in the second half," Mr Baldrige said in a statement.

Asked if President Zia would be put on trial for allegedly overthrowing the constitution and executing her father and other political prisoners, she said: "It is a question of justice. If forgiveness and mercy is asked for, it certainly can be given."

But there was no chance of any deal with President Zia. "There is such a big gap—a big chasm. There is the blood of a prime minister, and we have different ideas of Pakistan. There is no meeting point."

Peronists hit out at Alfonsín

THE PERONISTS, Argentina's top opposition group, have installed a new party leadership and attacked President Raul Alfonsín's management of the debt-ridden economy, Reuters reports from Buenos Aires.

The new Peronist council, installed on Tuesday, accused Mr Alfonsín of by-passing Parliament in dealings on Argentina's \$48bn (\$28.2bn) foreign debt

Peres holds meeting with West Bank Palestinian leaders

BY DAVID LENNON IN TEL AVIV

TWO PROMINENT West Bank Palestinians were called to a secret meeting with Mr Shimon Peres, the Israeli Prime Minister, late Tuesday night after Jerusalem received a list of PLO candidates for talks with a senior U.S. official. These talks are the first steps in the new U.S. peace initiative.

Israel's inner Cabinet yesterday studied the list of Palestinians who have been named by Mr Yassir Arafat, the PLO chairman, as his representatives on a proposed joint Jordanian-Palestinian delegation which is expected to hold talks next month with Mr Richard Murphy, the Assistant U.S. Secretary of State.

Mr Elias Frej, the mayor of Bethlehem, and Mr Hikmet Al-Masri, a former speaker of the Jordanian parliament, held an unnamed meeting with Mr Peres at his home in Jerusalem.

It had earlier been thought that Mr Peres's guests would be selected as Palestinian delegates. Both their names had been mentioned in reports from various Arab states about the likely composition of the delegation.

But, according to unofficial reports, the list excludes any representatives from the West Bank or Gaza Strip and is made up of second-ranking members of the PLO and the Palestine

National Council (PNC), the Palestinian parliament-in-exile. The names of the proposed delegates had been passed to Israel by the U.S., which had received them from King Hussein of Jordan.

The Cabinet issued no statement after its meeting. But officials said yesterday that Israel would not hold talks with any PLO or PNC members, and that Israel opposes the U.S. holding preliminary talks with the Palestinians. This, they say, would be giving indirect recognition to the PLO.

The Premier and the normally voluble Palestinian notables refused to divulge details of their meeting except to insist that it had no direct connection with the latest American peace move.

However, such disclaimers are not given much weight here, especially as both Mr Frej and Mr Al-Masri have recently been in Jordan, and the mayor of Farouk Kaddoumi, the PLO's "foreign minister," Mr Al-Masri went to Jordan yesterday morning.

It is safe to assume that during the three-hour meeting at Mr Peres's home they discussed the latest developments in the new U.S. peace initiative and the composition of the joint Jordanian-Palestinian delegation.

Iraq set to pump oil to Saudi terminal

By Richard Johns

IRAQ plans to start filling the 400-mile pipeline linking its southern oil fields to Saudi Arabia's trans-peninsula system within the next three weeks and in doing so may wreck any chance of the Organisation of Petroleum Exporting Countries reaching a new pact on lower output quotas next week.

Iraq has let it be known that it intends to export as much additional crude pumped through the new facility as it can sell. Oil should be ready for lifting at the Yanbu terminal on Saudi Arabia's Red Sea coast in September.

Potential purchasers are still sceptical, though, as the throughput will reach the full capacity of the 48-inch spur line amounting to 500,000 barrels a day for several months. The \$500m (\$360m) project was approved by an Arab League consortium last year, though it will be completed well within the 11-month schedule.

Iraq's ability and determination to raise its exports up to 1.5m b/d, in addition to output required for domestic consumption of about 300,000 b/d threatens a major disruption of the Opec ministerial conference starting in Geneva on July 22. It is pressing for agreement by other members on an increase in its quota under the members' collective production and prices pact from 1.2m b/d to 1.5m b/d.

It is understood, meanwhile, that Saudi Arabia and Kuwait will cease providing "war relief crude," currently running at 300,000 b/d and sold on Iraq's behalf as a form of long-term loan.

Iraq's use of the facility will embarrass Saudi Arabia, which has guaranteed spare capacity in its 1.55m b/d Petroline. With its Gulf outlets closed by the war with Iran, Iraq's present export potential, apart from a limited volume of crude and products trucked to Aqaba, Jordan, is limited to its pipeline to Cyprus on Turkey's coast.

Saudi apprehensions that Baghdad will price the oil below official selling prices to ensure maximum utilisation and shipments appear to have been confirmed by the most recent edition of the Middle East Economic Survey. It quotes a senior Iraqi oil official as acknowledging that the price will be "basically market related."

John Elliott talks in London with Pakistan's leading exile Benazir Bhutto may risk return

MISS BENAZIR BHUTTO, leader of Pakistan's outlawed People's Party (the PPP), is considering returning to her country early next year from exile in London to lead a fresh campaign against the current military regime.

Leaders of the Movement for the Restoration of Democracy, of which the PPP is the largest and most influential, are planning the campaign if President Zia ul-Haq does not honour his pledges to end the eight-year military regime and restore full parliamentary democracy.

Speaking at her central London home, Miss Bhutto, 32-year-old daughter of the late Prime Minister Zulfikar Ali Bhutto who was executed by the Zia regime, said: "Zia will be facing his most important challenge in the early next year and I am telling our people that they should organise for me to return to take the country by storm or be taken by storm."

Miss Bhutto was freed from house arrest in the southern Pakistani city of Karachi 17 months ago to fly to London for medical treatment. Her mother is ill in Paris.

Miss Bhutto uses her London base as a communications base for contacting sympathisers in Pakistan and elsewhere. Her



Miss Bhutto: There is no meeting point

return to Pakistan would be a major political event and could cause political and civil unrest which in turn could lead to her being re-arrested. So she has to balance the relative advantages of staying in London where she is free to operate, but has only limited political influence, or returning to Pakistan where she might quickly lose her free-

dom. She refuses openly to admit that she would like to continue the family tradition as Mr Rajiv Gandhi has done in India and become prime minister.

"It would be my father, Mr Bhutto, who would win any election—we would only be judged later for what we did in power," she says.

Asked if President Zia would be put on trial for allegedly overthrowing the constitution and executing her father and other political prisoners, she said: "It is a question of justice. If forgiveness and mercy is asked for, it certainly can be given."

But there was no chance of any deal with President Zia. "There is such a big gap—a big chasm. There is the blood of a prime minister, and we have different ideas of Pakistan. There is no meeting point."

She says she would return immediately if martial law with its powers of summary arrest were ended. Her more difficult decision is what to do if it stays in force.

President Zia held a referendum and elections earlier this year to strengthen his rule and ease political tensions. The results have kept him in office but established a non-party elected national assembly. It is

generally assumed that one of his main aims is to keep the PPP and especially the Bhutto family out of power.

But the emergence of the assembly has increased pressures for martial law to be ended, and a policy announcement is likely either on August 12, which is President Zia's birthday, or on August 14 which is Pakistan's independence day.

Prime Minister Junejo, who was elected by the new assembly with the backing of President Zia, has appointed a committee to examine ways of ending martial law but the President has made statements recently which have stressed the problems involved in any rapid change.

Opposition leaders are divided over tactics, which is why Miss Bhutto has decided that there is little chance of mounting a new campaign, till early next year.

"In six months time, if martial law is still in force, the assembly will be frustrated and the economy may be failing because of agricultural crop problems and falls in the level of foreign workers' remittances. Then Zia will face a serious challenge," she says, hoping for a success that has eluded all the political parties for eight years.

All Blacks abandon plans for S. Africa rugby tour

BY DIA HAYWARD IN WELLINGTON

THE New Zealand Rugby Union yesterday abandoned all plans for any rugby tour of South Africa this year. Instead it will make urgent efforts to arrange an alternative short tour in some other country.

The All Blacks players, who were summoned to the Rugby Union headquarters in Wellington yesterday, indicated their preference for an alternative tour.

This is most likely to be Argentina. The Rugby Union originally called off the tour, due to start yesterday, after a court injunction forbade the team to leave

until a court case, challenging the validity of the Rugby Union's power to accept the South African invitation, was completed.

A French businessman sought in connection with the sabotage of the protest ship Rainbow Warrior has been freed in Australia after three-day questioning. New Zealand police said yesterday. Reuters reports from Wellington.

Police said the man, who has not been named, was detained yesterday by Australian authorities as he arrived from the tiny Australian territory of Norfolk Island.

Reagan blamed over Namibian Government

The Organisation of African Unity (OAU) has claimed that the Reagan Administration is to blame for the interim Government installed in Namibia (south west Africa) by the white-minority government of South Africa, AP-DJ reports from Addis Ababa.

The OAU Council of Ministers, meeting in Ethiopia, said the Reagan Administration was to blame for the interim Government installed in Namibia (south west Africa) by the white-minority government of South Africa, AP-DJ reports from Addis Ababa.

In adopting the report of the Co-ordinating Committee for the Liberation of Africa, the ministers argued that the Reagan Administration "be denounced as the architect of the creation of the so-called interim administration in Windhoek, which is the direct result of the policy of 'constructive engagement and linkage'."

IMF delays credit for Morocco

BY FRANCIS GHILIS

THE International Monetary Fund has put off until August 9 a decision whether to extend a new standby credit worth CDR 298m (\$220m) for Morocco. This would replace a facility which expired last March. The new facility would run for 18 months, six months longer than was the case last year.

The delay was prompted by Morocco's failure to meet IMF targets during the first half of 1985. The Kingdom has also found that servicing that part of its principal state debt, which falls due in the autumn of 1985, is heavier than expected. Payments are thus running a little late and the figures for 1985 payments must be recalculated.

Despite what may eventually prove a temporary setback, the World Bank approved earlier this week a second readjust-

ment loan, worth \$150m, for Morocco. A first readjustment loan of \$200m was approved in January 1984.

After nearly two years of negotiation, the Moroccan authorities and a steering group of 10 banks led by Banque Nationale de Paris and Citicorp of the U.S. have agreed terms for the rescheduling of that part of principal which falls due between September 1983 and December 1984.

The delay stemmed from the reluctance of the Kingdom's central bank, the Banque du Maroc, to provide a formal guarantee to the bank package. The commercial banks have accepted a letter of understanding from the central bank to make foreign currency available to meet the service of the commercial debt. Further difficulties arose over offset and material adverse change clauses, which have now been

ironed out. The agreement, reached between the steering committee and the Moroccan authorities, has now been put to the other commercial banks involved.

The long drawn out negotiations with the banks had been the major factor behind the IMF's delay in approving a new facility after the previous one ended last March.

Last Monday and Tuesday, when the originally intended meeting to discuss the rescheduling of Morocco's state debt due for repayment this year was postponed, an unofficial meeting attended by Mr Abdelatif Joushri, the Moroccan Minister of Finance, was held in earnest.

Authorities were in earnest about both IMF targets and tying up the negotiations with the IMF, the commercial banks and the Club of Paris ahead of next September's IMF annual meeting.

Buthelezi calls for power sharing

By Anthony Robinson in Johannesburg

AS VIOLENCE flared in Soweto and other black townships, Chief Gatsha Buthelezi, leader of the 6m strong Zulus and the 1.1m strong Xhosas, movement made a powerful plea for the Government to issue a declaration of intent to negotiate a peaceful settlement for power sharing between blacks and whites.

Speaking at the Afrkianer Studenten congress in Stellenbosch, Chief Buthelezi said: "Power is essentially about control over resources and the major resource of a modern state... When we say that we insist on a non-statutory forum, we are really saying that African people must share in the determination of what happens to the budgetary resources, the taxes we all pay and the revenue we all help to earn."

Chief Buthelezi, who has refused independence for the KwaZulu homeland and who rejected both the new constitution and President P. W. Botha's offer for black leaders to participate in a "non-statutory forum," has nevertheless been the target of attacks by the United Democratic Front (UDF) and other radical black groups.

Although at one with other black groups on the need to abolish apartheid, Chief Buthelezi has been a fierce critic of the UDF and other radical groups for setting black against black and is also a strong opponent of disinvestment. He proposes a federal system of power sharing and put forward specific proposals for such a federal solution between Natal and KwaZulu in the 1982 Buthelezi Commission.

He repeated in his speech his belief that "majority rule in a unitary state was not a negotiable issue at this stage."

"We are willing to concede reasonable safeguards to white interests and go to considerable lengths to preserve the confidence of whites in the system of government because we realise that if whites were to withdraw their skills and experience we, the blacks, would suffer very dearly," he said.

WORLD TRADE NEWS

EEC affirms policy on products from Mediterranean

BY IVO DAWNAY IN BRUSSELS

THE EUROPEAN Commission yesterday ruled out any switch in trade preferences for its Mediterranean trading partners away from traditional products or to direct compensatory aid schemes when renegotiation of existing agreements begins in the autumn.

Greece and Italy — the EEC member-states most vulnerable to Mediterranean imports — have been urging the Commission to adjust the existing trade relationship when new terms are discussed on compensation for the Community's southern neighbours for the effects of Spanish and Portuguese accession.

But yesterday, M. Claude Cheysson, the Commissioner responsible for Mediterranean affairs, ruled out any such move. Presenting the Commission's proposals for the negotiation, Mr Cheysson said: "Many people think we are prepared to let (these countries) exports deteriorate and give compensation elsewhere. That is not what we envisage."

The Commissioner pointed out that any change of existing access arrangements for many primary agricultural products, such as olive oil or citrus, could have serious social, and even political, consequences among trading partners.

The issue is certain to top the agenda of the EEC's renegotiation stance in September.

Rome and Athens have already hinted that if no measures are taken to further protect their farmers from imports from the Mediterranean, they may seek other forms of financial or trade compensation.

M. Cheysson said yesterday that the Commission proposed to make efforts to maintain the level of trade at current levels, based on an average of sales between 1980 and 1984.

The countries involved are Morocco, Algeria, Tunisia, Egypt, Israel, Jordan, Lebanon, Syria, Cyprus, Malta and Yugoslavia. As industrial products enjoy free access, the talks will concentrate on wine, olive oil, potatoes, citrus and tomatoes.

The aim of the Commission for citrus is to dismantle customs duties in parallel with the reductions agreed with Spain and Portugal during the transition to full EEC integration.

Products subject to reference prices during certain seasons will have the rate calculated by the same method applied to Spain from the fifth year after its accession.

This system will be applied to a total of 800,000 tonnes a year, divided according to share of trade between the exporter countries.

A ceiling of 60,000 tonnes on fresh tomatoes — principally from Morocco — will also be applied. For new potatoes, the figure is 270,000 tonnes a year.

Brussels steps up pressure for new trade round



Paul Cheeseright in Brussels analyses the European Community's attitude to a new round of trade talks in this, the third of the series on GATT.

EUROPEAN Community trade diplomats are flying round the world — Brazil, India, Korea, the Philippines, Singapore — trying to establish the one key condition which ministers have laid down for taking part in a new round of international trade liberalisation.

"Subject to the establishment of an adequate prior international consensus on objectives, participation and timing, the Community declares its readiness to participate in the launching of such a new round," trade ministers declared last March.

For weeks, the diplomatic effort has been directed at reducing the reluctance of major developing countries on the subject. The feeling is that divergences of view are appearing among developing countries and that more flexibility is creeping in.

By the late autumn, it is believed, it will be clear whether a new round can start.

Certainly, the Community does not want to set a target date for a start. Here it differs from the U.S. It seeks to avoid a formal beginning and then a hiatus because the precise aims of the round are not clear.

It is a question of approach. There is no argument between the Community and the U.S.

or, indeed, any of the developed countries, about the general principle.

In Brussels, it is accepted there is little time to lose. Washington is very much on the Community's mind. Apart from the niggling series of bilateral disputes, there is concern to give the Reagan Administration a hand in fending off protectionist pressures in the Congress.

But there is also mounting fear that the U.S. might increasingly adopt a bilateral approach to trade policy.

There are, however, differences between the two and they are likely to become more sharply focused.

Part of the new round will inevitably deal with trade in farm products. The Community accepts that, but it will not be party to anything that calls into question the fundamental working of the Common Agricultural Policy, historically an anathema to the U.S.

The Community wants as a necessary prelude to the new round a halt to the imposition of protectionist measures and a start made to dismantling those in place.

The attitudes of the two tend to merge with regard to Japan. There is the belief, that Japan signs the anti-protectionist de-

Although Brussels has not yet made a shopping list, its position on some of the standing issues certain to arise in a new round is fairly well defined.

There is a residue of business from the Tokyo Round of the 1970s and a continuing programme of work from the GATT ministerial conference of 1982.

Import safeguards fits into this category. The EEC believes that the international trade system has to take into account the fact that, practically speaking, restrictions are directed against specific suppliers.

Thus, the blanket approach under which safeguards can be imposed under Article 19 of the GATT needs to be modified.

Discussions on that have been going on for a decade. Similarly, talks have been going on for almost as long on measures to protect legitimate trade from counterfeit goods.

The EEC is prepared to support a draft international code that surfaced in the Tokyo Round and has since been spasmodically talked about.

This ties in with the more general problem of protecting intellectual property, a subject on which the EEC places importance. But here Brussels has not devised a way of balancing the need to safeguard new inventions while permitting

their dissemination in the interests of trade.

A less subtle problem is textiles. Negotiations start soon on a new MultiFibre Arrangement to govern trade between developing country exporters and developed country importers. Developing countries will make certain that textiles come up in a new round.

So far, the Community has not moved beyond the realisation that steps need to be taken to improve developing country access to the markets.

But it seems to be shifting towards a slow transition in the direction of the free market, where textiles would not be isolated from the normal international trading disciplines.

The new round, however, will go beyond all these issues, if the major trading powers have their way, into areas such as services, and, more problematically, high technology. The U.S. has been pushing hard for both.

The Community is firmly lined up behind the notion that, where possible, GATT disciplines should cover services trade.

There are two reasons: First, services are taking up a larger proportion of world trade and their liberalisation would enhance sustained recovery of the international economy; Second, the introduction of

services into the GATT would strengthen the GATT, the only international organisation with the necessary experience to act as a guardian of new negotiated disciplines.

The Community is therefore opposed to proposals from some developing countries that the United Nations Conference on Trade and Development would be the best forum for talks about services. Further, talks about services should take place in parallel with other negotiations.

Brussels is tending towards the idea of a general code on services, supplemented where necessary by more specific sectoral agreements.

The Community has not yet made a commitment towards high technology trade negotiations. But officials have noted that two years' work in the Organisation for Economic Cooperation and Development has not revealed problems for high technology goods that are genuinely different from those in other sectors.

The problems rather are linked to the establishment of international standards and public procurement, and the more general question of state intervention in research and development. All of that suggests that the Community approach will be cautious.

Philips and Japanese in teletext venture

By Carla Rapoport in Tokyo

KYOCERA, one of Japan's leading electronics companies, yesterday announced it has linked with Philips, the Dutch electronics group, to develop, manufacture and market new electronic equipment in the teletext field.

The deal is the second this week between a Japanese and European electronics group on Monday, Toshiba and Siemens announced plans to work together on the development and production of the 1 megabit semi-conductor chip.

Kyocera and Philips' new company, to be called Japan Philips, is to be based at ¥200m (£806,000) and owned equally, is to be called Japan New Media Systems, with sales of \$100m (£76.9m) projected for 1988.

Kyocera said yesterday that the new company stems from Philips' hopes to standardise software for teletext equipment as it did with compact cassettes, compact discs and other electronic equipment.

The venture, which will begin operations in August, will be aimed exclusively at the Japanese market and will seek to expand home interactive systems.

Through the coupling of home computers and compact discs, these systems will enable users to store and retrieve information via cable and satellite.

Philips and Kyocera already co-operate in the field of home computers and recently established a separate joint venture for marketing Philips' Sophonet data network system in Japan.

● Matsushita Electric is planning to start videotape recorder production in the U.S. "in the near future," according to Mr Toshihiko Yamashita, the company's president.

UK group to set up laminates plant in U.S.

BY ANTHONY MORETON, TEXTILES CORRESPONDENT

LANTOR International is to set up a manufacturing plant in U.S. to produce Coremat, a fast-growing high-technology non-wovens-based laminating material for the glass-reinforced plastics industry.

It expects to be operating on a site on the Georgia-Alabama border by 1987.

The UK-based company, jointly

owned by Tootal, the fourth-largest British textile company, and West Point Pepperell, the third-largest U.S. producer, already supplies some 90-95 per cent of the U.S. market for these laminates.

Supplies are shipped to North America from First its Dutch subsidiary. The move to a U.S. production base is seen as a warning to Japanese companies

which supply the rest of the U.S. demand that Tootal-West Point intends to consolidate in this important market.

"There is a real prize to be won in America," said Mr David Dry, chief executive of Lantor International.

"We are developing a second generation of Coremat, which will be available next year and

we are determined to see off the Japanese in this market."

Lantor last year produced a pre-tax profit of £2.8m on a turnover of £35m, about twice the amount it had been contributing previously. Mr Dry believes that over the next five years, turnover and profit could rise by 15 per cent a year, half as much again as in the recent

Chinese airline orders Boeings

CHINA Southwest Airlines, a new regional carrier in the People's Republic of China, has ordered four Boeing 737-300 aircraft, our World Trade Staff writes.

The aircraft, valued at about \$26m (£20m) each, are scheduled for delivery to the Chengdu-based carrier over the next 12 months. Boeing has now sold more than \$1bn-worth of aircraft in China since 1972.

S. Korea move on VTRs

BY STEVEN E. BUTLER IN SEOUL

SOUTH KOREA is hoping to forestall a move by the European Community to raise tariffs on imported video-tapes, cassettes (VTRs) from 8 per cent to 14 per cent. The decision on tariff increases is due to be taken later this month.

Mr Kim Jin-Ho, Trade and Industry Minister, has sent letters to M. Jacques Delors, chairman of the Community's Executive Commission and to the trade ministers of the UK, France, West Germany, the Netherlands and Belgium, arguing that the tariff increase violates the spirit of the

General Agreement on Tariffs and Trade (GATT) in that it imposes restrictions on free trade.

The letter states that an increase in VTR tariffs would be harmful to the launching of a new round of GATT negotiations. South Korea is strongly in favour of a new round of trade talks.

The South Koreans maintain that the higher tariff will affect them far more harshly than Japan because of Japan's dominant position in the market, and because the Japanese have established manufacturing bases in Europe.

Singapore to seek power station tenders next year

BY CHRIS SHERWELL IN SINGAPORE

SINGAPORE is to call for tenders next year on a second stage of its vast thermal power-station project on the offshore island of Pulau Seraya.

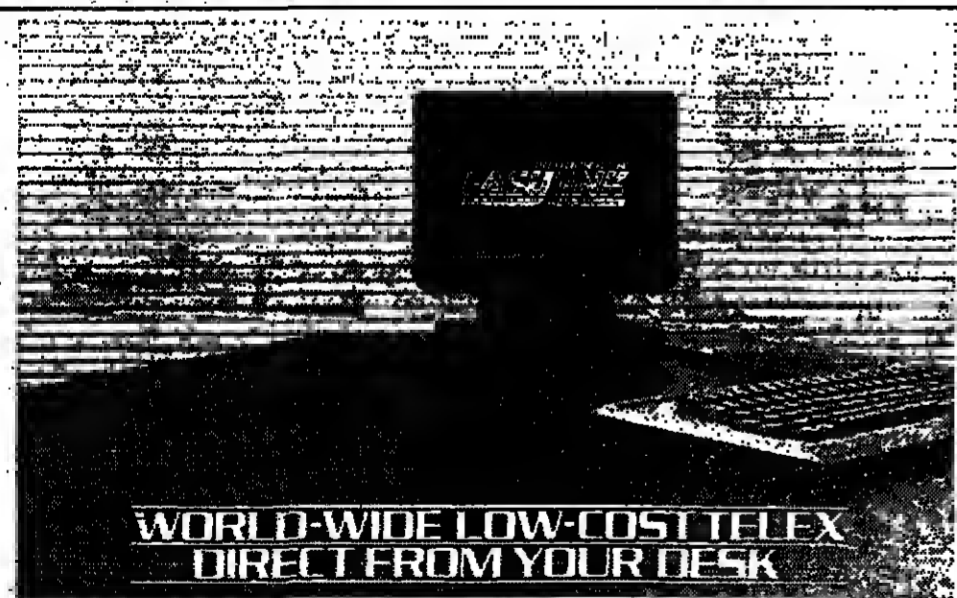
The first 750 MW stage of the project, which is costing \$880m (£261m), resulted in one of the biggest orders from the island state for a UK company, NCI Parsons. The UK group beat Japanese, European and U.S. competitors to win a \$815m contract for three turbine generators.

The three boiler and turbine units are due to be commissioned in 1987 and 1988, and Singapore's Public Utilities Board, which is responsible for the project, has been assessing

Stage II. This will probably be for another 750 MW of thermal plant and scheduled to come on-stream around 1991.

The Board expects long-term growth in electricity demand in Singapore of 4-7 per cent per year. Along with replacement of old, less efficient plant, it foresees a need for additional capacity. Officials say consultants will soon be appointed to assess its precise needs and tenders will be called next year.

In the first stage of the power plant now under construction, Nishio Iwai won the \$206m contract to supply and install the three steam boilers and auxiliary equipment. These are being made by Mitsui Engineering and Shipbuilding.



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UK NEWS

Fate sealed of the world's largest local authority

AFTER ONE of the lengthiest and most debilitating tussles since it came to office in 1979, the Conservative Government has finally succeeded in getting its controversial Bill to abolish the Greater London Council (GLC) and six English metropolitan county councils on to the statute book.

Abolition is set for midnight on March 31, 1986. The huge hoarding on top of London's County Hall - headquarters of the GLC - which has proclaimed a series of pithy anti-abolition slogans for more than two years, will be altered daily to give the countdown. "GLC - 255 days caring for London," it says today.

The Bill, known as the Abolition Bill, finally received Royal Assent on Tuesday and came into force the same day. It means the end of the GLC, the world's largest local authority, whose annual budget of £2bn is larger than the gross domestic product of some small Third World states.

It leaves London without a single multi-service elected authority for the first time in a century. That, with the abolition of the six metropolitan counties in the big city conurbations of Merseyside, Greater Manchester, West Midlands, South Yorkshire, West Yorkshire and Tyne and Wear (in north-east England) will change the structure of local government for a third of England's population.

The councils' powers will be handed over to newly created bodies and to the many district and bo-

rough councils - there are 32 borough councils in London.

The Government decided to abolish the GLC and the six metropolitan councils - all at present Labour-controlled - because it regarded them as an unnecessary and wasteful extra tier of local government.

During the Bill's stormy passage through parliament, the Lords inserted nearly 100 amendments, most of which were minor. Many involved technical improvement to what was widely criticised as an exceptionally badly drafted Bill.

Some amendments, however, were very important. The Government had exempted the Inner London Education Authority (ILEA) from abolition and made it fully democratic by proposing it should be directly elected. But it also proposed that it could be abolished after five years without new legislation. The Lords rejected this idea and the Government has now accepted the Lords' verdict.

Similarly, the Government has accepted the Lords' rejection of a planning commission for London planning. Instead there will be a joint committee of borough councillors.

The Government dug its heels in against two of the Lords' changes which would have effectively wrecked the intention of the Bill. The Lords wanted highways and waste disposal functions to remain county-wide, although in the hands of government-appointed residuary bodies.

The Government insisted that

The Bill to abolish the Greater London Council and six other metropolitan authorities is now law. Robin Pauley reports on the Government's long struggle in parliament with the legislation, and its consequences.

these powers should be handed down to the borough and district councils. Peers eventually accepted that they should not force the issue because that would make abolition next March impossible.

Although the parliamentary battle is now over, the problems of abolition are far from solved. Civil servants are still working hard on the details of how to transfer functions, set up new bodies and sweep away the old structures.

New joint boards have to be set up, housed and serviced to run police, fire, civil defence and passenger transport in the metropolitan counties and fire and civil defence in London.

A directly-elected ILEA has to be set up, although staffing will remain the same. Residuary bodies have to be created in each area to wind up the complex affairs of each authority. Decisions have to be made about staff transfers, redundancies, property transfers, the reorganisation of the local government finance and grant system to cope with the new bodies and a host of other complex arrangements.

Apart from the new ILEA, all the new bodies will formally come into being on September 1 this year, although they face a difficult time at least until the final demise of the seven councils next March.

Until now, the threatened councillors have been refusing to co-operate in any way with the change-over. Now the Bill is law, however, co-operation is expected to improve quickly. Significantly, Mr Ken Livingstone, leader of the GLC, has indicated that the best interests of employees might now involve co-operation.

The abolition started almost as a throwaway line by the Prime Minister who was anxious to have some local government changes in her 1983 general election manifesto. The ideas for abolition and the "rate-capping" limits on local property taxes were slipped in at the last minute. Mrs Margaret Thatcher thought, against the advice of senior advisers, that both would prove to be very popular. Opinion polls have shown both measures to be unpopular for widely differing reasons.

The abolition legislation was a two-part affair. The first, which brought a hail of protest down on the Government, was the Interim Provisions or Paving Bill which was supposed to pave the way for abolition by cancelling the councils' 1985 elections, and having nominees from the boroughs and districts to run transitional authorities until Abolition Day.

One consequence would have been to change the political control of the GLC from Labour to Conservative overnight without an election. The Government was unprepared for the depth of protest such proposals aroused, especially among its own supporters.

Mr Edward Heath, the former Tory Prime Minister, said: "It immediately lays the Conservative Party open to the charge of the greatest gerrymandering of the last 150 years of British history."

The Government was forced to concede. It withdrew its plans and allowed the councillors to stay in place until abolition, which gave Mr Livingstone and the leaders of the metropolitan counties a platform for opposition throughout the passage of the main abolition Bill - exactly what ministers had been hoping to avoid.

The main abolition Bill has been an enormous and indigestible piece of legislation for parliament to swallow. The Lords came close to reversing the entire Bill, failing by just four votes to insert an amendment which would have required a

directly elected successor body for London.

One of the most crucial figures in the coming difficult months in the capital will be Sir Godfrey Taylor, the Government's inspired choice to be chairman of the London Residuary Body, which will have to try to juggle with all the problems thrown up by abolition over the next five years or more.

Sir Godfrey is a former Tory leader of the London borough of Sutton and so has a long experience of local government. He is also a former Tory chairman of the Association of Metropolitan Authorities, when he made a profound impact on government ministers and local government leaders for his independent stands.

His popularity and unblemished record of having worked in the interests of local government will make it very difficult for Labour opponents of abolition to accuse him of being a government lackey. In fact, purely local politicians like Sir Godfrey have become a rare breed in recent years, and the abolition debate has highlighted the extent to which local and central politics are becoming intertwined.

Mr Livingstone has already lined up a safe Labour seat for parliament, while the GLC's last chairman, Mr Tony Banks, is now a Labour MP, and one of Mr Livingstone's predecessors as leader of the GLC, Lord Plummer, is a Tory peer. He was among the staunchest Tory opponents of the abolition legislation.

Average earnings in manufacturing rise 9.5% on year

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE PACE of increase of earnings in manufacturing industry accelerated in May, against a background of continued job losses, according to the latest figures from the Department of Employment.

They show that average earnings in manufacturing rose by 9.5 per cent in the year to May, with the underlying increase estimated to be 9 per cent. That compares with an underlying annual rate of increase of 8.4 per cent for April and 8.1 per cent for January.

The view that companies are continuing to finance high earnings increases by shedding labour is supported by the figures, which show that in the three months to May, the number of people employed in manufacturing companies was falling by an average of 8,000 a month.

However, the figures may suggest a gleam of hope since manufacturing employment rose marginally

in May, after falling by 35,000 since the beginning of the year. The number of jobs in the whole economy is estimated to have risen by 28,000 in the first quarter of this year to a total of 23.66m.

That is much less than last year's average increase of 86,000 a quarter. However, it follows a large increase of 130,000 jobs in the last three months of 1984. The relatively disappointing figure for the first quarter of this year may, therefore, mark a new year pause after extensive hirings before Christmas.

Nevertheless, the slower rate of increase in jobs will be worrying to government strategists in view of the continued rise in wage costs as measured by wages and salaries per unit of output (unit wage costs). For the whole economy unit wage costs are estimated to have risen by 4.1 per cent in the first quarter of this year.

AMERICAN BAR ASSOCIATION
Courts criticised over use of anti-trust laws

BY RAYMOND HUGHES

AMERICAN courts have fashioned U.S. anti-trust laws into an instrument of torture, a former senior official at the UK Department of Trade and Industry said yesterday.

Mr William Beckett, formerly senior lawyer at the department and now with Lloyd's of London insurance market, said that the courts claimed merely to be giving effect to their Government's intentions. But, he asked, could they really say what those intentions were in relation to the modern-day complexity of international economic relations?

Speaking at a session of the American Bar Association conference in London, Mr Beckett said that if the U.S. legislature did not agree with what the courts were doing, it had the power to alter the law to reflect its current policies.

However, with "hollowed" laws like the anti-trust Sherman Act, the courts were not interfering with and the executive branches of government dealing with foreign responses could only lament that they were powerless to act.

"Once the transnational litigation process has started, despite the use of blocking laws - which might be said only to make matters worse - the only way to settle is for the defendants to reach for their cheque books."

Mr Beckett said that blocking statutes - which the UK preferred to call protective legislation - did not solve the underlying disputes. They were invoked after diplomatic protest and negotiation had failed to produce a satisfactory response. Once invoked the confrontation became public and complete.

Conflicts dressed up as infringements of international law were in reality disputes about policies, he suggested. Given harmony on policies, co-operation could be restored. Discussions, bilateral and unilateral negotiations and, above all, early warnings, were the only way to smooth out differences in the application of policies.

A Washington lawyer Mr John H. Shenefield, said that more anti-trust agreements between the U.S. and foreign governments and an "early warning system" informing those governments when anti-trust laws were being invoked could help to resolve the conflicts.

The Laker Airways case had proved that while there had been some progress there had also been setbacks, such as the tendency among foreign governments to use blocking statutes, which created instant confrontation.

There had been a rush Mr Shenefield said, by many governments to enact protective legislation designed to defeat the enforcement of U.S. anti-trust laws against their citizens. It would be a constructive step if such legislation were repealed.

The U.S. had become sensitised to the problem and taken steps to ease the tension, he said. In an anti-

trust investigation or case that might concern a foreign government, the irrevocable practice was to give advance notice through the State Department, allowing for inter-governmental consultation.

Mr Shenefield added that anti-trust agreements with other governments had alleviated tension and enhanced understanding and were an obvious way of achieving continuing progress. Multilateral agreements to harmonise anti-trust regimes remained an important objective, and efforts to build on the United Nations' principles and rules on restrictive business practices should be accelerated.

Walter Ellis writes: A warning to U.S. judges not to abuse their power by turning their courts into "mini-legislatures" was issued yesterday by Mr Edwin Meese, the U.S. Attorney-General.

Speaking at an ABA lunch in London, Mr Meese - who was appointed Attorney General and head of the Justice Department last year - said that observance of the letter of the Constitution was a basic principle.

The judiciary in modern times has been tempted to arrogate to itself the power of amendment that rightly belongs to Congress, and in the process lawsuits were transformed into "sprawling enterprises" in which "lawyers become ideological lobbyists and judges political power-brokers."

Today, it was being argued that there was room for a "non-interpretive review" of the Constitution, which did not refer to the literal text. "The very fact that such a question has come to be posed - and seriously debated - raises serious questions about the future of limited constitutional government," he said.

As a result of this process, U.S. courts were coming to be seen "less as defenders of constitutional rights than as expositors of moral theories."

The Attorney General accepted that the motives behind such conduct were often "motives of decency and the need to correct social ills." But the means employed could not be supported by the U.S. form of government.

Transforming courtroom into mini-legislatures was, in effect, an attempt to make an "end run" around popular government. Such a legal and judicial process reduced the Constitution to use American politician and jurist Charles Evans Hughes' oft-quoted quip: to what the judges said it was... to many courts had become more policy planners than interpreters of the law.

The main point of the U.S. Constitution was that its meaning was not to be changed by ordinary interpretation, Mr Meese said. The only legitimate means of constitutional change was to be by the "solemn and authoritative act" of formal amendment.

Nissan plans long-term supply contracts

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

NISSAN'S UK car production company will offer long-term contracts to successful component suppliers when feasibility studies were carried out.

In return for breaking away from the industry's traditional practice of putting the business out to tender every time a model change was made, Nissan would expect suppliers to be capable of designing and developing components rather than just manufacturing them to Nissan's specification.

Mr Gibson emphasised that Nissan Motor Manufacturing's approach would be different from that usually adopted by European car makers when he addressed a seminar organised by the engineering Employers' Federation (EEF).

He was attempting to allay fears after protests from the West Midlands when it was reported - inac-

curately, he insists - that Nissan had been "epalled" by the standards of UK component suppliers when feasibility studies were carried out.

About 180 people from 120 companies, representing a large section of the West Midlands automotive supply industry, attended yesterday's seminar and heard a presentation from Mr Gibson. They questioned him for 1½ hours.

No one hearing Mr Gibson was left in any doubt that he expected Nissan to move from the assembly of 24,000 cars a year from Japanese kits, which starts at the Washington, Tyne and Wear, factory next year, to the annual output of 100,000 cars with an 80 per cent European content. A decision about the second phase is not due to be made formally until 1987.

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UK NEWS

BBC changes could cost 4,000 jobs

BY RAYMOND SNODDY

THE BBC yesterday announced a major reorganisation which could mean the loss of up to 4,000 jobs but release an additional £23m to improve programme quality, including the launch of daytime television next year.

The job cuts will come mainly in the support services and the central bureaucracy.

Programme makers will also be affected. The corporation plans to "bring new talent into the programme fields" by increasing the 10 per cent ratio of programme makers on contract to a minimum of 25 per cent. More than 1,000 staff are likely to be affected.

Mr Alasdair Milne, director-general of the BBC, said that the reorganisation was "the most radical the BBC has confronted for 30 years".

He said the corporation had looked at every part of its operations to see how best to use the £2.8m income from its 238 licence fee over the next three years. This was £350m less than the corpora-

tion had asked the Government to accept.

To balance its budget, the BBC has cut £150m from future developments, £220m in future capital expenditure and more than £70m in provision for inflation.

The corporation, to try to make £23m extra for programmes, plans to:

● Go to tender for catering, cleaning, security and building maintenance.

● End the design and manufacture of its own equipment and carry out specialist engineering work through outside contractors.

● Close the in-house corporate consultancy unit and cut secretarial services by 10 per cent by 1986.

Mr Michael Checkland, deputy director-general, said the BBC would try to minimise compulsory redundancies but they could not be ruled out.

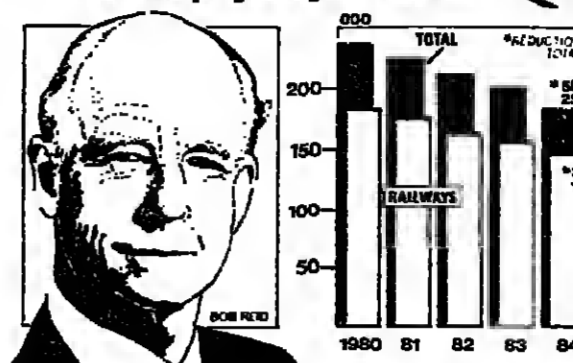
About 2,000 of the job losses would come from any contracting-out of services such as catering and security.

British Rail makes worst of a bad year

Sir Robert Reid (right), the gently-spoken chairman of state-owned British Rail, smiles wryly and observes: "Nothing pleases the British public more than to see British Rail making a loss."

This morning, therefore, should see the British public's cup filled and overflowing. Yesterday British Rail announced losses of £408m - in spite of a £900m grant from the Government. But Sir Robert puts up a well-argued defence of his railway. Sue Cameron reports.

Staff employed by British Rail



"key result" from the trading period was that the group had reduced its call on support from the taxpayer by some £50m in real terms, compared with the calendar year of 1983.

Despite the achievements, a fairly crude year-on-year comparison of the results with those of 1983 suggests that the InterCity sector has increased its losses by some £20m - even allowing for the impact of the coal strike and ignoring inflation.

BR's InterCity business has been going through a bad patch, not least because of its decision to put up fares three times this year and because of its so-called price rationalisation which struck many passengers as being anything but rational.

The same rough and ready comparison suggests that the underlying trend in the performance of Railfreight gives no cause for optimism.

Railfreight, which is due to go into profit in 1985/86, had an operating surplus of £2m in 1983. But over the last year, even after the £250m exceptional losses caused by the coal strike have been stripped out, that surplus appears to have been turned into a £25m loss.

Sir Robert's words yesterday are very much in line with the reputation for firmness and determination that he has acquired since he took over from Sir Peter Parker as chairman almost two years ago. But reports of his toughness are totally at variance with his almost painfully shy manner. As one civil servant remarked: "He looks and sounds like a very senior Whitehall official who has somehow wandered into the railway industry by mistake. Not that I mean to be disparaging. He is a very likeable man - and a very able one."

Perhaps it is not surprising to discover that although Sir Robert has been a railwayman almost all his adult life, he comes from a tradi-

tional civil service family. His father, also Sir Robert, was in the Indian Civil Service and became Governor of Assam. Colleagues say that one of the things that pleased him most about his recent knighthood was that he matched his father's achievement.

It was when he became chief executive in 1980 - under Sir Peter Parker - that he began to introduce changes into BR's hopelessly inefficient and top-heavy management. It was he, with Sir Peter's support, who split BR into five sectors - InterCity, parcels, freight, London and the South East and provincial - each with its own director.

"I started thinking in terms of sectors in 1979," he says. "I felt that we must allocate responsibility so that we could pin individual managers for success or failure."

"I don't think people like to be uncertain what is expected of them. Most of them like responsibility and accountability."

Sir Robert was also the man who decided that responsibility for BR's financial results should not rest with one person alone - the chief executive. As chief executive he started delegating financial responsibility downwards so that it was shared between three people. But what he seems most proud of is that he brought a greater sense of cohesion to BR's senior management.

"For many years the rail industry was having its success undermined because of divisions internally," he says. "I suppose big organisations are always subject to power groups and our industry was no exception. I have been able to achieve a breakdown of that so that now we have a co-ordinated management view. Not that members of the team don't argue among themselves with great vehemence. But before, people used to have a meeting and then go away

and do their own thing. "That doesn't happen now."

The tone is as quiet as ever, but there is no sign of diffidence now. Semi-autonomous empires are simply not tolerated within British Rail. Sir Robert gives the impression that in pointing this out he is merely stating an obvious fact.

He adopts much the same approach when asked if BR should not be cutting its dependence on grants from the Government by rather more than 25 per cent. Say, 33 per cent?

"That would be silly," he says flatly. "It wouldn't be obtainable. I agreed that target with the Government in 1983 - and I wouldn't have done if I hadn't thought we could achieve it - and the Government has stuck to it."

"I don't think it's a lenient target. It's hardly lenient to take out 8,000 managerial staff in a single year and without any industrial relations problems. I'd say it was very aggressive."

Yet, for outsiders, the suspicion remains that the Government is so pleased to see the monolithic British Rail making any progress at all towards economic efficiency that ministers are less critical of its performance than they might be.

"At present there is a clarity of understanding between BR and the Department of Transport based on clear objectives and on ways of getting there."

"The only hold the Government has over us," he adds, his voice sinking lower than ever, "is a financial one." "They can screw us on our investment or on the Public Service Obligation - the grant - or on both or on neither. I think there should be a partnership with the Department of Transport being a partner in the success of the industry it sponsors."

Some might say that the relationship between Sir Robert and the Government sounds too cosy by half. Yet he very nearly failed to get the chairmanship at all. The Government wanted an outsider. It was only when it could not find one that it offered him the post - only two weeks before the new chairman was due to take over. He was on holiday at the time. And he stayed away until his holiday was finished.

"I think that if you have a great and complex industry like ours and you have managers who understand it then they will do a better job than outsiders." There is a great realism among myself and my colleagues that the railways have no right to live unless they are competitive. None of us thinks we can defy public wishes just because we have a historic position.

"I think this is what marks the change of view that has taken place over the last few years. But the idea that we must manage our industry on the basis of greater responsibility and accountability had been growing for some years. I just happened to be at the right place at the right time - so I was able to push it along."

Sir Robert, said to be a compassionate man, also feels it is better for others to know exactly what he thinks.

Yet those at the bottom of the huge 147,000-strong pyramid are said to like him, not least because they know he is himself a railwayman.

He is, however, said to have so far been unable to get the full co-operation of union leaders in furthering the rail industry. "I take the stand that there are things which are in the interests of the rail industry and we should be concentrating on those - not on politics. I don't see how our industry can be better off if it is used for political purposes."

North Sea production lowest for two years

BRITAIN'S North Sea oil production is at its lowest level for two years.

The weak world demand for oil has induced a number of companies, such as Shell and British Petroleum, to bring forward maintenance shutdowns.

Production averaged only 2.2m barrels a day in June, according to figures released by Petroleum Information, the oil research group. That compares with 2.6m b/d in the previous month, when the UK's production topped that of Saudi Arabia for the first time.

POST OFFICE profits for the year ending March 1985 were more than £130m, an improvement of more than £17m on the previous year.

National Girobank has also shown a significant improvement on last year with pre-tax profits rising to £18.8m.

Sir Ron Dearing, Post Office chairman, said in disclosing the preliminary figures that the improved profits were a result of a strong growth in the volume of mail and a reduction in costs.

ICI, the chemicals group, has signed a computer software deal with Digital Equipment, the U.S. minicomputer supplier, which it says could be worth £40m over the next five years.

The deal marks the first important move by ICI to become a substantial vendor of computer software.

COMPANY borrowing surged ahead by £7bn in the first three months of this year, in spite of a record financial surplus of £4bn achieved by the sector.

Official figures show that companies increased their liquid assets by £2.3bn in the quarter, which was more than the rise for the whole of 1984.

CAZENOVE & CO, one of the City of London's leading stockbroking firms, will advise the Government and act as lead broker on the privatisation of state-owned British Gas.

INTERNATIONAL PROPERTY REVIEW
THE FT EVERY FRIDAY

Under 21s excluded from wage protection

BY JOHN LLOYD AND PETER RIDDELL

THE GOVERNMENT yesterday exempted about 500,000 workers below the age of 21 from the protection of wages councils. It confined the councils - which cover over 2.7m low-paid workers - to setting only a minimum hourly rate and a single overtime rate.

Mr Tom King, the Employment Secretary, told the House of Commons that "the present system inhibited the creation of more jobs, and that was especially true in the case of young people." However, his statement reflected his victory over those of his colleagues, especially at the Treasury, who favoured outright abolition of the councils.

Mr King, besides limiting their scope, is to take new powers under proposed legislation in the next session of parliament which will allow him to abolish or modify councils more easily.

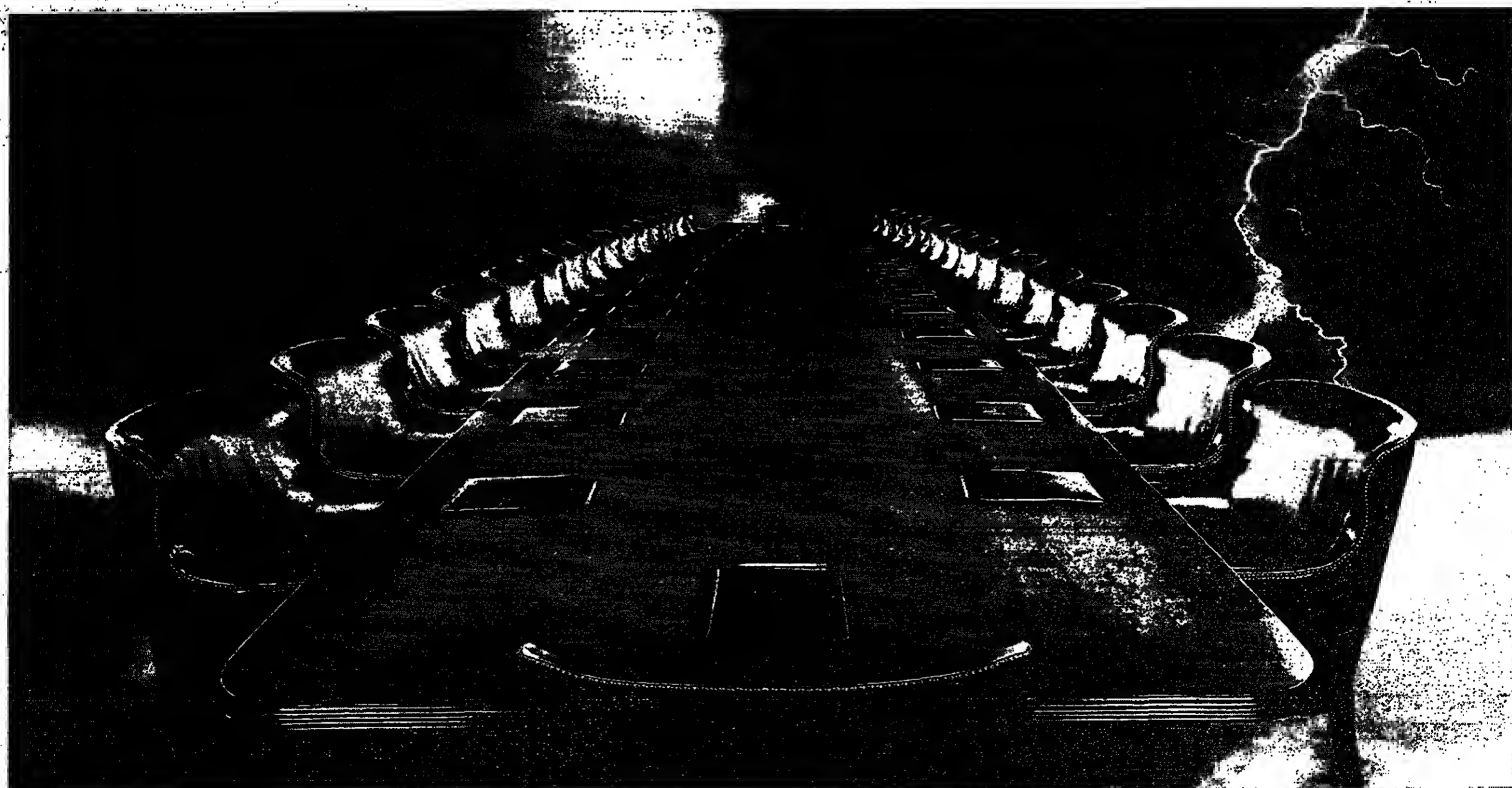
He said this would "very probably" include cutting back the wages inspectorate, which polices wage council orders and which accounts for the bulk of the councils' annual cost of £4m.

The Government will now derogate International Labour Convention 26 - which specifies a minimum wage mechanism - within the next few days.

Mr King said that the overriding concern of the Government was to create more jobs. A drop in the wages of young recruits in the councils' sectors could mean the creation of between 50,000 and 100,000 jobs.

He said that whereas British apprentices earned 40-50 per cent of the adult rate, West German apprentices earned 25 per cent - the kind of level he would like to see emerge in the UK.

Editorial comment, Page 10



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THE ARTS

Washington Square/Paris Opéra
Clement Crisp

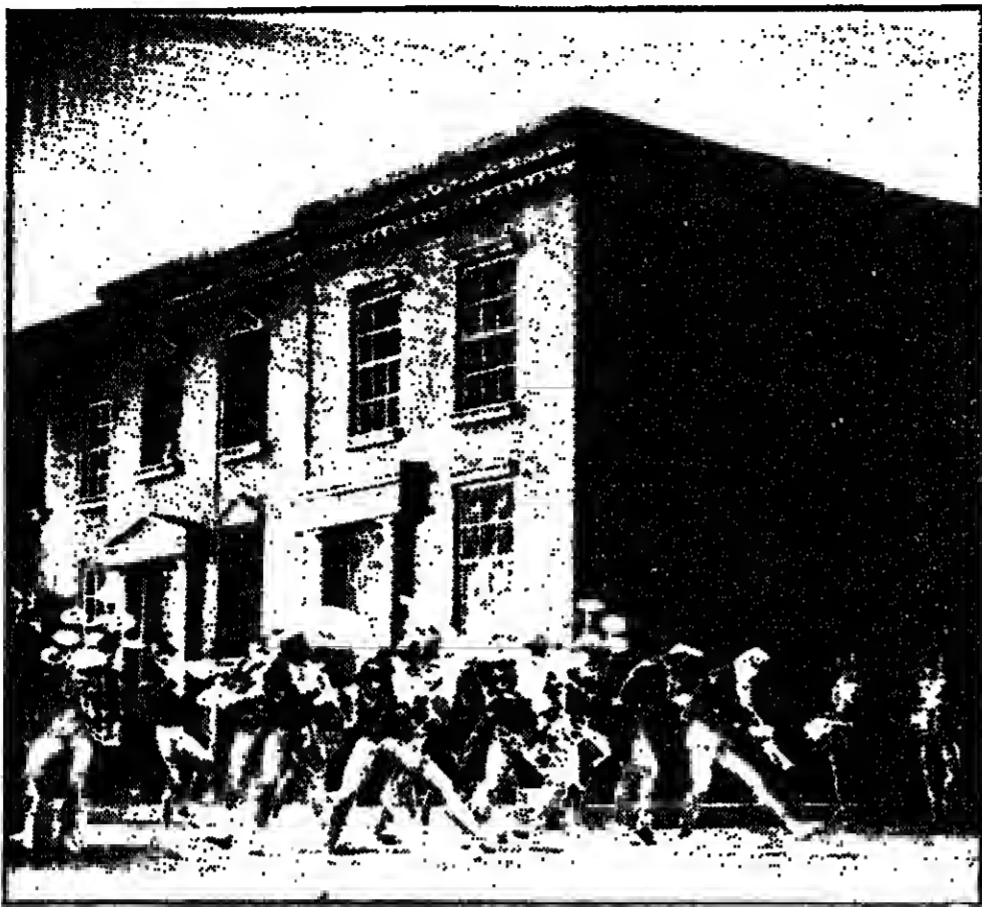
Henry James's novella, *Washington Square*, is a study in claustrophobic family life, with the heiress Catherine Sloper guarded by her father, so finally entombed within the museum of her family house and her loss of love. An intriguing, enclosed subject for ballet, though one not easy to bring off, as I reported some years ago when James Kudelka made a version for the National Ballet of Canada. Now Rudolf Nureyev has created a work on this theme for the Paris Opéra, yet by seeking to show the life of the square as symbol of the teeming world from which Catherine is excluded, he has destroyed the tight focus of the James story. The result is a case of choreographic elephantiasis, a diorama of post-bellum America in which Washington Square becomes the equivalent of Petrusko's rumbustious Admiralty Square, but without the formal clarity brought by Fokine's and Stravinsky's genius.

Thus we are kept at arm's length from Catherine's tragedy by intrusive herds of revelers, ghostly visions of Civil War soldiers, and a motley of cowboys, hill-billy men, revivalist meetings, squads of troops, the building of the Statue of Liberty, eight girls got up as Miss America, and a story in hand. Washington Square is seen as a microcosm of America and the true hero of the piece, an act of extrapolation which beats reconstructing a dinosaur from the evidence of a single vertebra.

The setting by Antoni Taulé (costumes are by Nicholas Georgiadis) offers a massively realistic representation of the square: a huge, pillared church to the left, the facade of buildings in the centre; and the front of the Sloper house at stage right manipulated to open out like the page of a book and show an entrance hall and staircase in which the domestic action is curiously played.

Most revealing of Nureyev's approach to the production is the score selected from orchestral works by Charles Ives—the four movements of the *Holidays* Symphony; the *Second Orchestral Set*; the *Unanswered Question*; the *Variations on "America"*. The music's style and content explain something of the gigantism of the proceedings, and as an admittedly personal reaction I must note that 80 minutes of unrelieved Ives is sorely taxing.

The intricacies of Catherine's story are lost amid the bombast and naïveté of the choreography. In the cast I saw last week, Florence Clerc was a tense Catherine, Nureyev a



A scene from Rudolf Nureyev's new ballet version of the Henry James novel

neurotically taut Dr Sloper, and Jean Yves Lormeau provided the physical action needed for the fortune-hunting Morris, though he is somewhat foxed by a scene in which he has a drunken duet with Catherine's aunt to the interminable variations on "America" which we know as "God Save the Queen") and by a later confrontation with Sloper on a staircase, which is more ragtime routine than emotional duel.

Nureyev's quest for a panorama of history—rather after the fashion of such optimistic Italian ballets of the 1930s as *Excelsior*, which also filled the stage with everything except Art's hordes—hangs like a millstone round the delicate neck of James's small tragedy. Legions of dancers are involved, and at the end the Opéra chorus sing their way into the church while snow falls upon Morris agonising front-stage. It is all very, very quaint.

Another novelty in this latest programme is *Mouvement-Rythme-Etude*, a duet for

Sylvie Guillem and Eric Vu-An by Maurice Béjart. Mlle Guillem is the new sensation of the Opéra. Promoted *étoile* at the age of 19 this season, she is a phenomenon. Slender, beautiful, endowed with an all-conquering technique, she offers her choreographer a body infinitely flexible (prodigious extensions; sinuous line) and radiant with talent. Eric Vu-An, another of the Opéra's young lions, is exuberant in skill, strong in presence. On a stage whose limits are marked by a rim of red neon and bare save for two blocks which serve as bases for the dancers, with an electronic score by Pierre Henry, Béjart sets his superb couple dancing. The choreography is the familiar mixture of romanticism, contortions and heavy emotional brooding, but this matters not at all as Mlle Guillem gradually rids herself of the dancer's customary layers of wool to reveal her form exquisite in a leotard. Solos and duets stress her suppleness and control, her dancing an essence pure and

potent in its concentration, matched by M. Vu-An's classic elegance and intensity. They are tremendous.

Mlle Guillem could not, though, redeem the return of Channel-change, looking wrong in spirit if clear in step. Mlle Guillem's power of enunciation is effective for the role of the Woman, but does not catch much of the part's spiritual dignity. Michael Denard seemed perfunctory as the Man, and Bernard Boucher found little mystery for the Messenger.

The Opéra dancers were ill at ease with the emotional undercurrents of the action, dreadfully so in the third song when Karin Avery twinkled on stage and belaboured us with her vivacity. Here was no little porcelain perfection, but the poppy deck of the Good Ship Lollipop, and roughness was all. Mahler, MacMillan, and the Opéra dancers, deserve better.

Adriano in Siria/Maggio Musicale, Florence
William Weaver

In the 26 years of his life (1710-1736), Pergolesi wrote a remarkable number of works, in several genres; but an even more remarkable number of works were posthumously attributed to him. Of the 146 compositions in the now-discredited *Opera omnia*, published in Italy during the war years, only 30 are considered genuine. Other likely candidates for authenticity were omitted from that edition.

Fortunately, the Pergolesi Research Centre at the City University of New York, under the vigorous and scholarly guidance of Barry Brook, is preparing a series of critical editions. And, equally fortunately, Italian opera houses are taking advantage of these restored scores to create new stagings of Pergolesi's works for the theatre.

Three years ago a Venice-Naples co-production of the comedy *Il Flaminio* (Pergolesi's last theatre work) was an immense success; it was later seen abroad and has been recorded. Now, at the ideal Teatro della Pergola, the Maggio Musicale has given Pergolesi's opera

seria *Adriano in Siria* its first modern revival; and, following the stage practice of the composer's time, it presents the acts of the light intermezzo *Licetto e Tracollo*, separating the three acts of the grander work. Both pieces are heard in new critical editions (Adriano by Dale E. Monson; the intermezzo by Gordana Lazarevich).

Though there is only one, brief interval (after the first intermezzo act), and though the conductor, Marcello Panni, made a few cuts (two complete arias, part of another, and some recitatives), the double bill is a fairly long evening. But, thanks to the merits of the performance and, even more, to the genius of the composer, the audience is not bored. In fact, on opening night, after nearly four hours in the house, the Florentine public cheered and applauded, decreeing an undeniable success.

Musically, the performance of this unfamiliar masterpiece, *Adriano*, was on a high level, and it also was visually effective, varied and inventive (even if the invention was now end

then distracting). In the title role of Adriano, Eleonora Jankovic displayed not only a rich, agile voice but also an admirable enunciation, affording the listener the pleasure of hearing Metastasio's lofty, noble text. As Farospe, Mariella Devia had occasional pitch trouble in the recitative; but she brought her extremely difficult arias off convincingly (the first-act conclusion, "Leto così tal volta," with oboe obbligato, was particularly exciting).

The gifted young Daniela Dessy was Sabina, Adriano's rejected lover—then—accepted betrothed; she was the embodiment of outraged dignity and thwarted tenderness. Sandra Browne was Emirena, a captive princess; I cannot remember when I last saw an actress move with such grace, informing every gesture with meaning as well as style. Her singing, too, was stylish. Enzo Di Cesare (Osro) and Alessandra Rossi (Aquilone), who completed the cast, fulfilled their assignments with taste and distinction.

Valeria Balano and Silvano Pagliuca, the Livietta and Tracollo of the intermezzo, are virtually Pergolesi's experts (they starred in *Il Flaminio*, too) and brought great dash and high spirits to their slapstick roles (they also sang engagingly).

Roberto De Simone, the producer, is not only a versatile man of the theatre but also a trained musician and scholar. In the intermezzo, he allowed his comic gifts fairly free rein, devising all sorts of welcome jokes and also verbal gags. In the opera seria he was naturally more restrained, confining his principals to the most essential and telling gestures. To enrich the stage picture he also created, Strehler-style, some silhouette effects, which were very beautiful, and arranged some processions of red-draped figures which were, on the contrary, distracting and awkward.

Still, this was a brilliant production; and the handsome, ingenious sets by Mauro Caroli, with Odette Nicoletti's fanciful, quasi-exotic costumes, were a decisive contribution to the triumph of the occasion.

Kong Ok-Jin/Riverside
Martin Hoyle

Sold into apprenticeship at 11, returning, homeless, to her native Korea after enduring the firebombing of Tokyo, the young girl takes inspiration from the crippled and outcast whom she frequents. Kong Ok-Jin now presents her "solo vaudeville" at Hammersmith's Riverside Studios up to and including the weekend as part of the LIFT season.

The dumpy little figure is accompanied by three musicians on drum, eight-stringed koto (said to be a zither, and both plucked and bowed) and flute. The bulk of her programme comprises the performance of a pansori theme, a traditional story told in mime, speech and dance. Of the three in her Hammersmith repertoire, she opened with the tale of a girl thrown into the sea as a sacrifice for fair weather who is entertained by the king of the underwater world, married the king on dry land and cures her father together with all other blind people.

Miss Kong excels in moments of self-hugging glee or private, self-absorbed pleasure, as when the blind old man bethes stream or the little girl squats to relieve herself with a look of rueful confidentiality at the audience. Her speciality, much in favour with the young intelligentsia of South Korea, who interpret it as a criticism

of society, is a stylised begging dance, usually depicting some physical handicap.

After the pansori she performs some set-pieces from this specialised form, in her case owing much to the observation of a deaf-mute brother and handicapped niece. The slow withering of a body into convulsed disfigurement is done in silence, an intense noiseless scream of despair (if Western sensibilities flinch they should remember our own supreme stylisation of deformity, currently bodied forth by Antony Sher at the Barbican). But the image that remains is of resilience. Pity would be impertinent for the blind old man, and portrayed by Miss Kong as they hobble, trot and amble happily to the king's great feast, as if it, and they, were the most natural thing in the world. No wonder the front row joined in at the end.

Ford backs ballet

Ford Motor Company is to sponsor Ballet Rambert's season in The Big Top, Battersea, which runs from July 23 to August 3.



Leonie Mellinger as Beatrice and William Hoyland as her father the Count in the Bristol Old Vic production of Shelley's 'The Cenci' at the Almeida Theatre in Islington until July 27. R. A. Young commented the generally able cast in Debbie Shewell's chamber version of a famous, but rarely seen, piece when reviewing the production on this page in April.

Festival Ballet/Coliseum
Clement Crisp

Festival Ballet is devoting this week to a mixture of ballets, and to dancing. Last night and on Monday I saw a programme which brought two of the company's novelties to London—Alvin Ailey's *Night Creature* and Roland Petit's *L'Arlesienne*—with the Don Quixote pas de deux and Lander's *Etudes* to set the groundings in a roar.

Night Creature is Alvin Ailey's slick choreographic Felon on the brass Ossa of a Duke Ellington score. The dance language is the argot of American show-biz, the dancers, rather tastelessly costumed, kick and shimmy and occasionally produce some classical enchainements (*Etudes* casts a long shadow). It is, I imagine, popular; it is certainly determinedly ingratiating, and

Festival's artists work hard at selling it.

In the Don Quixote circus-act, Kevin Pugh, a guest from the National Ballet of Canada, partnered Virginia Alberti on Monday, and went through the stately virtuoso paces, but he was much better served by *Etudes* last night, where his soaring elevation and clean style were admirable. His place in Don Quixote was taken by Peter Schaufuss, at his most brilliant and beguiling, partnering the teenage American, Katherine Healy. Miss Healy, a sturdy young dancer, showed a skater's facility in piroettes and some vulgarity in presentation, but there is more elegance of classic style needed to make something worth while of even this raucous exercise in bravura.

Rather more to the point is *L'Arlesienne*, which I have reported on this across the years in presentations by Petit's Ballet de Marseille, notably with the glorious Lolita Araujo and Jean-Charles Gil as Daudet's tragic couple. Using Bise's orchestral suites, Petit tells the story of Frédéric, haunted and obsessed by another love, fleeing from his bride, Vivette, on their wedding night, with great economy. They are each attended by a group of friends whose dances echo Provencal folk steps. Against this simple background Peter Schaufuss and Mireille Bourgeois on Monday night caught all the precision and intensity of Petit's style, with Mlle Bourgeois a touchingly sincere Vivette, and Schaufuss projecting Frédéric's agony of spirit with rare distinction. His final exit from life—blazing circuits of the stage before he leaps to his death from a window—was superbly theatrical. Last night's cast, Lucia Traglia and Matz Skoog, did honourably by their roles, if missing something of the urgency and finesse that the ballet ultimately demands.

To close each evening, *Etudes* went on the ramp, with cast led variously by Eva Evdokimova, Raffaele Paganini, Mary McKendry and another Canadian guest, Raymond Smith. Miss Evdokimova sailed through it all very sweetly; Mr Smith was dashing and buoyant; Festival's artists pulled out every stop they could reach. And if energy is the criterion of success in this piece, then there was plenty of it on display.

Falstaff/Theatre Royal, Brighton; Guildhall School
Rodney Milnes

There are few operas one would want to hear on successive evenings more than Verdi's comedy, even when standards drop as sharply as in this instance.

On Monday Regency Opera, a mixed company of professionals and amateurs, mounted a production at the Theatre Royal, Brighton, with a distinguished guest star, Giuseppe Taddei, who has sung and recorded the title-role with Karajan at Salzburg. Although aged 69 and thus a little cautious at times (there was more use of falsetto than Verdi envisaged), he did not disappoint: wonderfully crisp enunciation, gloriously full tone in the middle register, the lecherous possibilities relished with the grace of an aging Mastroianni. Taddei does not delve as deeply into the role as, say, Renato Capecchi or Sesto

Bruscanini; "Mondo ladro" is all part of the fun, and even the final humiliation is soon forgotten in his infectious sunny smile. What distinguishes his reading above all is its musical quality: certain phrases are moulded with a warmth and grace unsurpassed in my experience.

On the cast surrounding him it would be kindest, apart from mention of an accomplished Meg (Verona James) and a musical Nannetta (Marilyn Hunt), to remain tactfully silent. Should all concerned in the performance be commended for effort or for the sake of everyone from the composer onwards, quietly ignored? Federico Davia's production, in decor of quite indescribable hideousness by Guido Chini, was based on what is best described as "acting," by which I mean everyone doing an awful lot to

no purpose whatsoever. Simon Gray, the conductor, indicated that he knew how the score ought to go (though Taddei took the wise precaution of conducting certain sections himself) but the orchestral playing should not have been put before a paying public.

The contrast with the Guildhall School of Music and Drama's *Falstaff* on Tuesday could not have been more marked: a supremely musical production by Wilfred Judd growing out of the notes and not imposed on them; outstanding conducting by Stephen Barlow, who knows precisely how to relax with the music without ever allowing the forward impulse to falter; orchestral playing of a brilliance that belied the hands of student singers; and beautifully, economically, Breughel-inspired decor by David Short.

Robert Poulton naturally could not match Taddei's worldly-wise experience in the title-role, but his precise singing, quiet characterisation and clever impersonation of how a fat old man moves point to a distinguished future career. Rolin McGibbon could repeat her rumbustious, lustreously sung Alice with any professional company, and so could Angela Tunstall her sweet Nannetta. Joseph Corbett may have lacked ideal weight of tone, but he certainly knew how to put Ford's monologue across. Hyacinth Nicolls's quirkily understated Quickly, Robert Wilson's grotesque Bardolph, and Joseph Cornwell's ringing—almost too ringing—Fenton showed boundless promise. This cast sings at tonight's performance, and there is a complete change for tomorrow's, the last.

Arts Guide

Exhibitions

SPAIN
Madrid: Palacio de Cristal and Palacio Velazquez. Parque del Retiro. Spanish sculpture 1900-30. Sculpture and drawings by Picasso, Miró and contemporaries. The selection includes two works featured in the 1937 Paris exhibition, at the height of the Spanish Civil War, and now shows in Spain for the first time: Picasso's *Femme du Vas* and Julio González's *La Montserrat*. Ends July 30. (274 7778)
Santander: Santillana del Mar. The splendour of pre-Columbian culture. Gold exhibits from the Quimbaya Treasure. Fundación Santillana, Torre de don Borja. Ends Aug 30.
Santander: Paintings and sculpture by modern Spanish artists, Antonio López, Roberto Alfaro, Antonio Saura, Eduardo Chillida. Fundación Marcelino Botín, Santander. Ends Aug 8.

ITALY
Florence: Museo Archeologico (Piazza SS. Annunziata) - The Etruscan Civilization. This is the first of a long series of exhibitions to mark The Year of the Etruscans, and shows the results of the most recent research into the Etruscan world. A useful history of this civilisation's birth, development and decline. Ends Oct 20.
Rome: Palazzo Venezia: Five Centuries of Music Publishing in Europe organized to mark European music year, and the fourth centenary of the founding of the Accademia di Santa Cecilia, whose library has provided the bulk of the fascinating material. The time span and the

number of manuscripts (and paintings) is enormous (roughly one room per century), but a useful shortened route has been provided through a series of attractive arched pavilions, containing the cream of the music publications of each period. Ends July 31.
Rome: Villa la Farnesina (Via della Lungara 230) and Colonna Nazionale (Via della Stamperia 6). Raphael Invenit: A large collection of prints of exceptional quality by Raphael's followers and admirers, from the earliest, by Marcantonio Raimondi, done in Raphael's workshop, to the late 18th and early 19th centuries. Particularly interesting is the first section (containing mainly 18th century works) in the Villa Farnesina, where one can compare the prints with Raphael's glorious original frescoes in the loggia. The second section, in the Colonna, contains mainly later prints of the frescoes from the Stanza della Segnatura in the Vatican. Ends July 30.

PARIS
Reinold: An important exhibition of the most sensuous of the impressionist painters, who never tired of glorifying the nude feminine body capturing the light, comes to Paris from the Hayward Gallery, London. It consists of some 125 paintings and 50 drawings, including *Le Bal du Moulin de la Galette* and *La Danse à Boulogne*, Grand Palais, Closed Tue. Ends Sept 2 (281 9416)
Corot to Picasso: The range of French 19th and 20th century masters assembled by the art merchant Robert Schmitt comprises an important *Deux siècles de la Conversation* and a Van Gogh, unusual both for technique and the theme of the Seine. On the first floor the sunshine comes in with Vuillard, Bonnard and Dufy. Picasso's Large Buste d'Homme faces an equally large *Etude* still life. There is a dramatic Balbus landscape and a strong blue, red and white one by De Staël. Galerie Schmitt, 306 rue Saint-Hippolyte (285 3638). Closed Sun and Mon. Ends July 20.
Robert and Sonia Delaunay: For the 100th anniversary of their births, his in Paris and hers in the Ukraine, the retrospective of some 300 objects, paintings, drawings and decorative projects brings to life their joint pic-

torial adventure. Whether exploring abstract painting or disarticulating Eiffel Tower images, their colours are vibrant, their *foie de vivre* explosive. Musée d'Art Moderne, 11 av. du Président Wilson. Closed Mon, Wed late closing. Ends Sept 8. Perfume: An enchanting exhibition in praise of perfume assembles 550 objects, mostly phials, bottles and perfume fountains from the 18th to the 19th century. Some were made of Viennese porcelain, others of Bohemian cut glass or from gold and enamel in England. There are silver pendants with petals opening up and Chelsea china statuettes. They all show exquisite workmanship and some of perfume's power to beguile. Le Louvre des Antiquaires, 2 Place Palais Royal. Ends Sept 15.

WEST GERMANY
Munich: Staatsgalerie moderner Kunst, Prinzregentenstr. 1: German Art since 1900, 200 paintings, prints and drawings by 15 artists from the private collection of the German Prince Franz of Bavaria. Among them: Beuys, Richter and Kiefer. Ends Sept 15.
Essen: Artmuseum-Gesellschaft, Rathaus am Deich: To honour the late Franz Radziwill on the 90th anniversary of his birth. Ends July 28.
Bonn: Rheinischer Landesmuseum, Colonnadenstr. 14/5000: Fairy-tales, Myths, and Monsters. 43 works by 22 European artists, among them Messager, Paladini, Schmitz, Tafelore and Wawrin. Ends July 28.
Düsseldorf: Städtische Kunsthalle Grabbolde, 4: A retrospective of Rupprecht Geiger with 100 paintings from between 1945 and 1984. Ends July 21.

BRUSSELS
Hotel Metropole is celebrating its 90th year and in its splendid *fin de siècle* public areas, worth a visit to see the interior, there are exhibiting glass and objects d'art from the Belle Époque to Art Nouveau including works by Wouters, Gallé and Durr. Also on show are a collection of illustrated menu cards including a Press Banquet in 1893, Congo in 1898 and Sarah Bernhardt in 1898. Ends July 20.
Opera costumes from 1969 to the present including Zeffirelli's *Rigoletto*, Rossini's *Traviata* and Karl Ernst Herrmann's *Clemency of Titus*. Musée de Costumes et Dentelle. Until November.
Tony Cragg - a major exhibition of one of Britain's contemporary sculptors. Palais des Beaux Arts. Ends July 28.

VIENNA
Vienna 1870-1890: Dream and Reality: The great Viennese painter, Josef Hoffmann - a dazzling display of Jugendstil creative genius. The attempt to integrate the artistic achievements of this era with philosophical developments (notably Nietzsche but also Freud) and political transformations (the emergence of municipal socialism on the ruins of Baroque splendour) is ambitious and only partly successful. The complex tension between automatic and censored reality on the one hand and the illusions or fantasies of individual artists on the other is hinted at but not fully explored. A high point of the show is a recom-

struction of Hoffmann's room at the secession exhibition of 1902. Here, triumphantly restored, is Klimt's fifty-foot Beethoven frieze depicting humanity's progress through suffering to joy on the theme of the Ninth Symphony. Displayed exactly as intended, this alone is worth a special visit. Kunsthistorisches. Ends October 6.

NEW YORK
Metropolitan Museum: 30 objects from the period between the 1851 Crystal Palace Exhibition to the 1900 World Fair in Paris demonstrate the show's theme of Revivals and Explorations in European decorative arts. Ends Sept 5.

WASHINGTON
National Gallery: Ancient Art of the American Woodland Indians includes 151 pieces covering 5,000 years of sculpture, ceramics, copper and shell objects of the native Americans who lived in what is now the eastern half of the U.S. Ends Aug 4.
National Gallery (West Bldg): 36 old world masterpieces from the Dulwich Picture Gallery are exhibited under the title *Collection for a King*, including works by Rembrandt, Van Dyck, Canaletto and Gainsborough. Ends Sept 2.

CHICAGO
Art Institute: Though Edouard Manet made etchings primarily to reproduce and publicise his paintings, he developed a unique style as shown in the 27 etchings in this special exhibit of more than a third of his total output of 78 etchings. Ends Sept 2.

Saleroom/Antony Thorncroft

Clocks and antiques

There was no shortage of variety in the London salerooms yesterday with Christie's offering books and manuscripts, Sotheby's clocks and watches, and its first ever auction of English naïve and provincial arts.

Traylen, the Guildford dealer, paid £75,000, just over target for a fine copy of David Roberts's famous book on the Holy Land, with 241 hand coloured plates. It comes from the most desirable issue of 1948 with the presentation inscription of John Foster, one of the original subscribers.

Arader of Pennsylvania paid £28,028 and £12,367 respectively for two sets of John Gould's "Birds of Great Britain," each with 367 plates, while Mags bought Daniel Aytton's "A Voyage around Great Britain in 1813," with 308 views for £24,840.

To Clock Shop of Weybridge. With this lot was the original receipt of 1728 in Graham's own hand and giving the price as 16 guineas.

In the morning session of antiquities at Sotheby's a very rare Phoenician ivory plaque known as "The Woman in the Window," depicting Ashtar of Aphroditia, sold for £30,800, as against £12,000 top estimate. It was made around 9th century BC and measures just 4in by 3in. Mensor the London dealer bought a South Arabian alabaster head of the first century BC/AD for £11,000. It had been found in 1965 by the vendor Capt John Aylward. A large Egyptian alabaster jar of the Roman period fetched the same sum.

The major lot in the primitive art auction, "The Fleet Offshore," a review at Spithead, painted around 1785, was unsold at £19,000, but the rest did well. A hunting scene of 1791 by W. Williams made £16,500 and "A Young Girl Feeding a Pony" by R. M. Gowing £9,900, very above estimate. A carved and painted model of a butcher's shop, mid 19th century, made £2,640 and an unusual wheel-bone towel rail of the same period £2,300, also way ahead of its forecast.

TECHNOLOGY

Inaccuracies that cost Britain vital exports

IF YOU thought your electricity or gas meter was inaccurate, you would complain bitterly. The fact that complaints are few testifies to the confidence we place in the accuracy of these instruments and 1,000 others in everyday life from the bathroom scales to the speaking clock.

Or does it? Yesterday the Government published a consultative document on its plans to improve national standards of accuracy and quality in manufacturing.

Accuracy and quality are closely related, and accuracy relies on precise measurement. The Government wants to upgrade the quality of many products of British engineering, and intends to draft new standards of measurement needed for the next generation of advanced technology.

The Department of Trade and Industry, which is responsible for engineering standards, estimates that measurement in all its manifestations costs Britain about £15m a year. It also recognises that higher engineering standards will improve the quality of products, adding value to British goods.

The department's paper sets out how companies can improve quality through greater engineering precision. It is based on a report by the Metrology and Standards Requirements Committee, an advisory board chaired by Mr Bill Cole, formerly Marconi's quality control manager.

It identifies three targets: ● Promoting and extending the national measurement system throughout industry and commerce, with research and other support for measurement science and technology. ● Research and development support for priority industries chosen by the department, such as the awareness and promotion of key technologies, and the National Quality Campaign. ● Support for specification standards with a special emphasis on B and D.

The targets followed increasing pressure on traditional UK industries to improve product quality, says a senior scientist with the department's research and technology policy division. Exporters, for example, find increasingly that they are selling — or failing to sell — on

quality and performance rather than price.

The aim is to make industry more aware of the national support available for improving quality and performance, and how it can add value to the product. It is compiling a dossier of examples of how investment in measurement can pay off.

Its starting point is the widely-envied government laboratory, the National Physical Laboratory, which stands alongside the U.S. National Bureau of Standards as one of the world's great custodians of basic industrial standards.

The NPL was founded in 1898 as a public institution "for

Traditional industry has much to gain by raising engineering standards, says the Department of Trade and Industry. David Fishlock looks at measures aimed at improving product quality.

standardising and verifying instruments, for testing materials, and for the determination of physical constants."

The Rayleigh report which proposed the laboratory, said it "would neither be necessary nor desirable to compete with or interfere with the testing of materials of various kinds as now carried out in private or other laboratories, but there are many special and important tests and investigations into the strength and behaviour of materials which might be conducted at a laboratory such as is contemplated."

The report also recommended close links with the Royal Society and the then Board of Trade.

Nearly a century later, the message is essentially unchanged. The Department of Trade is anxious to preserve the distinction between public and private sector activities by shifting more of NPL's routine

calibration and associated skills into the private sector. This will free NPL resources for its important work of establishing standards for new areas.

The NPL passes on its technology mainly through the British Calibration Service, which it has operated since 1986. It certifies — for a fee — the activities of other laboratories, a total of 140 so far.

In 1980 NPL opened another link with industry, the National Testing Laboratory Accreditation Scheme (NATLAS), which certifies — for a fee — the activities of other laboratories, a total of 140 so far.

In each case NPL provides the standards to which these private laboratories and test houses work. NPL earns about £3m a year in this way. The BCS has itself set an international standard of service which is being copied in West Germany and elsewhere.

Later this year BCS and NATLAS are to merge as the National Measurement Accreditation Service, with continuing financial support — about £2m so far — from the Department of Trade.

The NPL intends to retain and strengthen direct links with industry, notably in the more innovative areas. As Dr Paul Dean, its director, put it in his Joan Loxham lecture: "There is no way to improve our competitiveness other than by doing the job properly, from conception and design through to the finished product. Measurement is central to all this."

Another scientist adds: "The trick is to be in place with your standard at the time industry needs it." Of the £27m NPL costs a year, about 70 per cent goes to support the national measurement system.

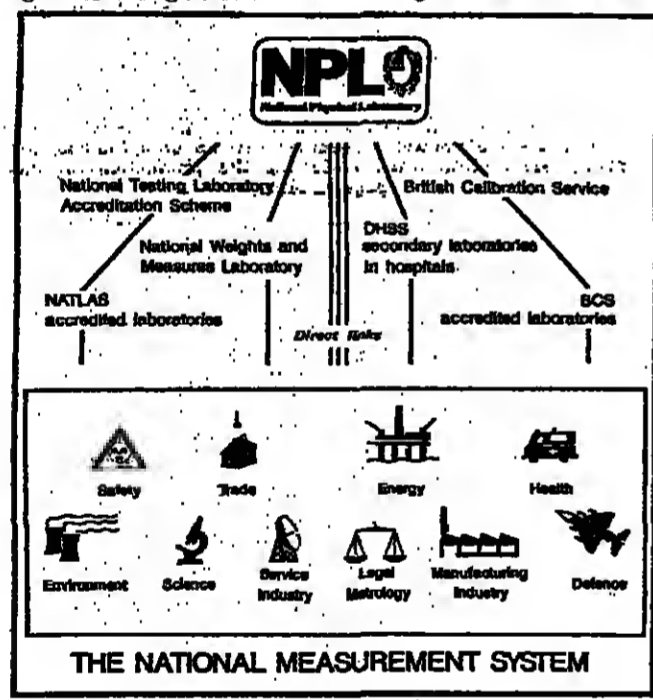
Challenge

Where once it concerned itself with the calibration of laboratory glassware and even motor buses, today its big preoccupation is software systems for automatic test equipment — a derivative of its basic work in computing.

The BCS has just certified Britain's first private laboratory for automatic testing. The underlying technology, however, will long remain a tough challenge for electrical measurement. Freed from more routine work, NPL is seeking jointly funded ventures with industry and universities to develop new standards. As one example, it cites its work with research company SIRA to develop new standards for humidity measurement for industrial processes such as semiconductor manufacture. SIRA will shortly become an accredited laboratory for the measurement of humidity and the calibration of humidity sensors.

Why should industry contribute to a scientific service financed by government for almost a century? Simply because it is in industry's own best interest, and it pays off, say the scientists. Advanced manufacturing technology, for example, must use integrated measurement techniques and need metrologists who understand them, instead of the time-honoured "inspectors."

Measurement in Britain — a framework for industry.



Software sales rise despite skill shortages

TURNOVER of UK computing services companies broke the £1bn barrier in 1984, according to the latest annual survey of the European computing services industry.

Dr Douglas Eyles, director general of both the UK and the European computing services associations, notes in the survey that it was an outstanding year for software products — packaged programs — with growth rates of about 38 per cent.

He says shortage of good, skilled staff is still the factor which is limiting the growth of the software industry.

French companies continue to dominate in European computing services. IBM remained the single largest supplier, but it was followed by four French companies, CISI, SC2, CSI and CAF-Gemini-Sogeti.

Major UK companies in the leading group include Thorn EMI, Scicon International and Micro Focus.

The report illustrates the difficulty, these days, of defining a computing service company and its revenues. Depending on whether "captive" revenues are included (revenues for work carried out for a parent company), hardware sales and overseas revenues either CAP-Gemini-Sogeti or CISI can be regarded as the leading European-owned service company.

The total market for software and services was \$12bn in western Europe, Turkey, included for the first year in the survey, showed the most dramatic growth.

Ninth Annual Survey of the Computing Services Industry in Europe, 1985.

GEC launches an electronic successor to the turbine

BY GEOFFREY CHARLISH

GEC is moving into production with the fastest and most powerful speed electric motor drive yet made in the UK.

Known as the Super Synchro-drive, it can deliver 10,000 kW at 4,000 rpm and has a 2:1 speed range. The power conversion electronics is made by GEC Industrial Controls, the high speed motor by GEC Turbine Generators, both of Rugby.

Such drives are destined to replace the steam or gas turbines which, to date, have been the only way of providing the large mechanical powers needed to drive the giant pumps and compressors used in the energy and chemical industries.

Such devices drive gas and oil over pipelines thousands of miles long for example, or drive the big refrigerator compressors needed to keep an airport cool. These pumps, fans and compressors are usually designed to operate at speeds up to 10,000 rpm — in fluid-moving devices, high-speed signifies reduced size and cost. In the past, the only

way to use an electric motor was through large expensive gearboxes because AC motors driven from 50Hz mains supplies have a natural speed limitation of 3,000 rpm (most run at 1,500 rpm).

The situation is the direct result of the low frequencies used by the electricity supply industries. In electric motors, higher frequencies produce higher rotary speeds.

In recent years new consideration has been given to electric drives, mainly because power electronics, a novelty 10 years ago, is becoming feasible at the higher power levels and the cost is reducing.

Another compelling force however, is the fact that as industrial processes become more efficient, it is increasingly difficult to find the necessary gas/steam energy as a by-product to drive turbines.

The answer, therefore, is to use electricity, by raising the frequency of the supply to the motor.

Electronic frequency chang-

ing has been common at lower powers for two decades. First, the incoming mains power at 50Hz is rectified to direct current (a scaled-up version of the home battery charger). Then, the DC is changed to a higher frequency, in effect by deploying a high-power oscillator rather like a radio transmitter. Its frequency, within limits, can be varied, so varying the speed of rotation of the motor.

GEC claims particularly low noise levels at 8,000rpm for SuperSynchrodrive, which is currently undergoing high speed performance tests with a 10,000kW brushless synchronous motor at the Stafford works of GEC Turbine Generators.

High speed electric drives of this type have an overall efficiency of about 93 per cent, much more than the conventional turbines.

By using several channels of conversion in parallel, powers up to 40,000kW are predicted by GEC at speeds up to 7,500 rpm.

Computer aid for robot design

INTERGRAPH, the U.S.-based computer-aided design specialist, has developed software that allows a manufacturing engineer to design and evaluate complete robotic work-stations on the screen.

Initially, he creates a library of outlines using keyboard and graphics tablet (an electronic drawing board from which stylus movements are automatically copied on to the screen). Floor plans, robots, conveyors, machine tools can be composed and kept.

At the same time, the engineer keys in details of the devices outlined like movement

envelopes, loads and speeds. The software uses the data to model the behaviour of schemes the engineer enters.

During these modelling and programming activities, the system "knows" the performance characteristics of each component and can alert the engineer to such problems as payload violation or robot reach limits.

Using the stored components, he can construct a three-dimensional model and show the motion limits of the various parts, avoiding collisions.

In addition, the local view of

the shop floor allows process engineers to position power cables, protective fencing, access gates and travel patterns for the manufactured parts moving through the cell.

With the work cell constructed, the user can describe the paths to be followed during a particular manufacturing operation, the software revealing undesirable or impossible actions.

Intergraph says that in the next few months it will release additional software which will provide full colour animation of all the components of the model.

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Computer warning to architects

DATQUEST specialists David Burdick and Michael Seely, summing up the recent architectural computer-aided design exhibition, AE Systems 85, at Anaheim in California, concluded that the state of items based on the IBM PC and similar machines should be treated with caution.

They said: "We fear that these low cost systems are being unfairly compared with the more expensive, more fully integrated design systems. Creating such unrealistically high expectations levels usually leads to disappointing results."

Datquest says that while there are a number of good, cheap IBM PC-based products for generating architectural drawings, it is "not convinced that the architectural community is best served by improving drawing productivity only."

The market research company thinks that addressing the entire design process in an integrated fashion, from concept to facility management, is a much better way. For example, high cost construction of models of buildings could be replaced by 3D, full colour modelling on the screen. Many systems will provide viewing from any angle, the ability to walk through the model, and the advantage of being able to display clients' changes on the spot.

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Thursday July 18 1985

Superman at the Fed

THERE WAS a hint of desperation in the testimony on U.S. monetary policy which Mr Paul Volcker, the chairman of the Federal Reserve Board, delivered yesterday to Congress. Nobody has done more than Mr Volcker to spell out the dangers of what he calls the "gross imbalances" in the current economic environment. Yet the world has responded to Mr Volcker's warnings with a complacency which he must be finding particularly ironic. Instead of acting rationally on his arguments, governments and financial markets have turned to a sort of mystical hero-worship of Paul Volcker, the Great Man.

Whenever currency markets are warned about the risks of bidding an overvalued dollar ever higher or when Congressmen are told about the inflationary implications of the U.S. foreign debt, the chant goes up: "With Volcker at the helm the Fed will safely steer the world through any crisis." The myth of Volcker, the saviour of the world economy, has given politicians and investors an excuse for doing nothing about the very imbalances which Mr Volcker, the economist and central banker, has criticised.

Psychology

The current psychology in the financial markets exemplifies this phenomenon. The consensus view on Wall Street is that the U.S. economy will bounce fairly briskly from its current state of near-recession and that the dollar will adjust downwards gradually to a more realistic value, before protectionist sentiment in manufacturing industry and Congress gets out of hand. This broadly bullish sentiment is largely based on a view about the Fed's intentions: that sustaining economic growth has become the central bank's primary—indeed perhaps its only—goal.

In effect, the markets believe that the Fed has temporarily replaced its monetary targets with a target for real GNP. Mr Volcker's testimony yesterday broadly confirmed this view. In fact it went a good deal further. His clear desire for a lower dollar, combined with the decision to raise the main monetary growth target far above its previous level, suggested that the Fed is even prepared to take temporary risks with longer-term inflationary expectations to keep the economic recovery alive.

Unfortunately the more fact that Mr Volcker's testimony suggests a growth of 3 per cent or so in the U.S. economy does not necessarily mean that these intentions will be realised. The Fed has been remarkably successful

in meeting its broad economic objectives during the last six years; the point may be approaching, however, when even Mr Volcker's shoulders will not be broad enough to bear the burden of managing the U.S. and world economies with almost no help or co-operation from anyone else.

In every economic cycle, there tends to come a point when the demand for investment goods declines and consumer confidence weakens. Past experience suggests that monetary policy alone may not be very successful in reviving economic growth once that point is reached—the central bank can find itself "pushing on a piece of string." In Keynes's celebrated phrase. When the imbalances in the economy are aggravated by huge leakages of demand into imports and export-led inflation, the central bank's task becomes even harder.

The U.S. economy is now two-and-a-half years into the upward swing of its economic cycle. About a year ago the economy slipped from the rapidly expansionary phase of the cycle into a state of stagnation. Economists sometimes call "growth recession"—period of gentle growth, too slow to produce any further reductions in unemployment. As a recent analysis by Morgan Stanley ended up, "only one occasion out of the six 'growth recessions' during the past 30 years, was the period of sluggish growth followed by a renewed burst of strong economic expansion. In all the other cases an outright recession involving a fall in GNP and a significant rise in unemployment, followed, on average five quarters after the growth recession began."

Of course, history need not repeat itself. The Fed has predicted growth of 2½-3½ per cent in the U.S. economy next year and many private economists expected a pick-up in growth beyond that. If these expectations are realised, the Fed will have performed the most extraordinary piece of economic magic in history. Even the fact that Mr Volcker, for one, appears to be less than confident about his ability to counteract the world economic cycle with little more than the way of instruments than he has at his disposal, and his ability to control the Federal Funds rate.

With U.S. fiscal policy out of control, a deflationary environment in America's key trading partners and huge imbalances in the U.S. financial markets, it is too much to expect a single man, with one hand tied behind his back, to command the whole of the world economy.

Pragmatism on wages councils

ECONOMIC PURISTS who maintain that minimum wage legislation of any form damages job prospects will be disappointed by the Government's decision yesterday to reform rather than abolish Britain's 26 wages councils. The decision comes on the heels of other fudges such as the abandonment of rent decontrol legislation and the climb down over student loans. It will be regarded as more evidence that the Cabinet is no longer doing what it thinks makes economic sense but what it reckons, perhaps mistakenly, will maximise the Conservative Party vote at the next general election.

The compromise over wages councils, although expected for several weeks, is particularly significant. To announce that wage-fixing machinery for more than 2m adults in a wide range of service industries is to be maintained in the face of the Government's economic principles. Ministers rarely tire of pointing out the link between pay and jobs. The Department of Employment's recent discussion paper argued that wage rates for about 1m workers covered by the councils are now higher than would be necessary to "recruit and retain" labour, with "repercussions which may extend through the whole structure of earnings."

The decision to retain the wage fixing apparatus could be seen as a direct contradiction of the Government's strategy for cutting unemployment. It was only on Tuesday that Lord Young, the Minister with special responsibility for job creation, launched a new "task force": its three-year mission is to back away at the regulations and rules which constrain free enterprise in the UK.

If the task force had a genuinely free hand it would surely soon recommend the abolition of wages councils. The idea that groups of wise men should continue to dictate pay rates for thousands of small firms in service industries such

as hairdressing and retailing is surely at variance with a new drive to reduce government interference in business.

Those who favoured outright abolition of the councils have been mollified in two ways. The Government is restricting the scope of the councils' jurisdiction: broadly they will be able to do little more than set a single basic and overtime rate for workers in the relevant trade. The days of wages orders running to 30 pages and determining every detail of pay, holiday and other conditions of work are numbered.

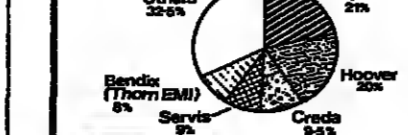
More significant perhaps is the Government's decision to exclude workers under the age of 21 from the councils' remit. It is often argued that inadequate differentials between youth and adult wage rates are a cause of very high youth unemployment. The Department of Employment has maintained that wages councils have tended to compress these differentials and that about 20 per cent of workers under the age of 18 are affected. The exclusion of youngsters may therefore have some small impact on unemployment.

In reforming rather than abolishing wages councils, the Government has not gone as far as market economists would have wished. But it has faced an obvious constraint: there seems very little support for abolition in Parliament and the industry. The lobby against abolition included many diverse groups: the Tory Bow Group, the Trades Union Congress, the Confederation of British Industry, a Commons select committee, the Social Democrats, the Liberals, the Labour Party and many others. None of these groups, it seems, take the pay-jobs link as seriously as the Government, all worry that wages council workers need protection against unscrupulous employers. In this climate it is hardly surprising that pragmatism was the order of the day.

LAUNDRY APPLIANCES

*WASHING MACHINES ONLY

UK



*FRANCE



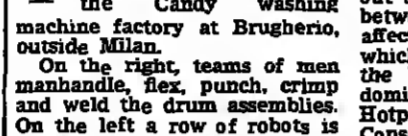
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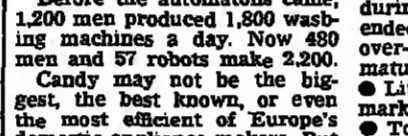
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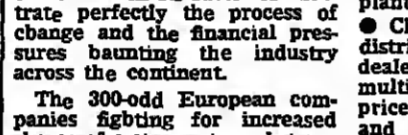
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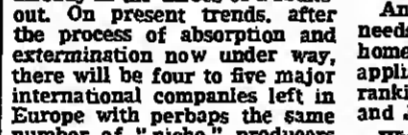
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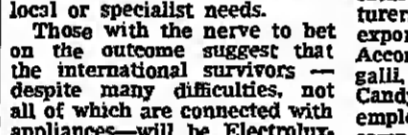
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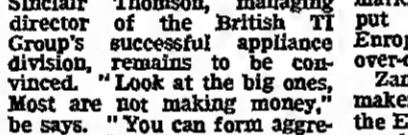
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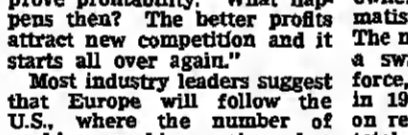
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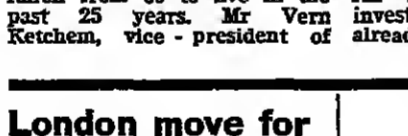
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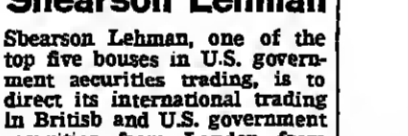
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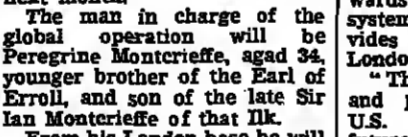
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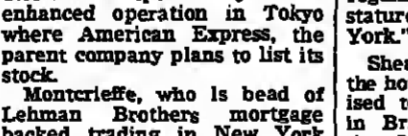
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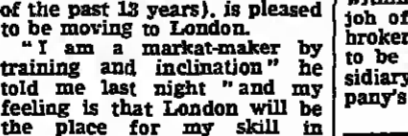
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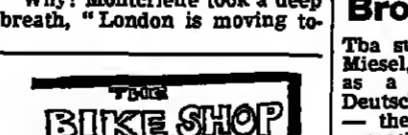
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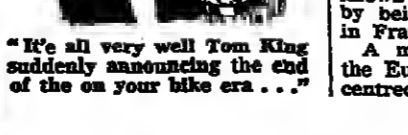
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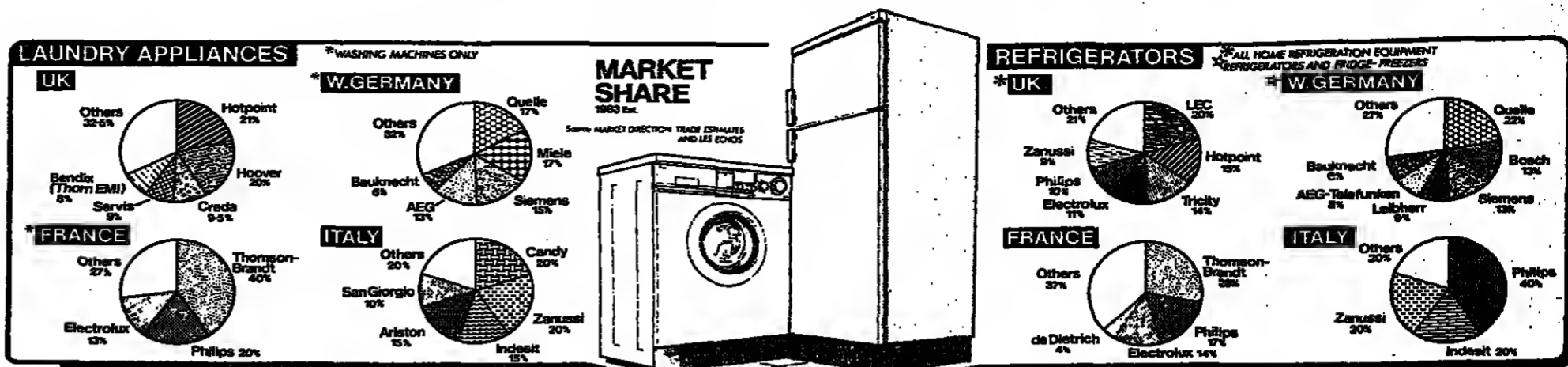
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EUROPEAN DOMESTIC APPLIANCE COMPANIES



Why just a few will survive

By Christopher Parkes

TWO PARALLEL production lines run deep into the Candy washing machine factory at Brugherio, outside Milan.

On the right, teams of men manhandle, flex, punch, crimp and weld the drum assemblies. On the left a row of robots is doing exactly the same job.

Before the automation came, 1,200 men produced 1,800 washing machines a day. Now 480 men and 57 robots make 2,200.

Candy may not be the biggest, the best known, or even the most efficient of Europe's domestic appliance makers. But the scenes in its factories illustrate perfectly the process of change and the financial pressures haunting the industry across the continent.

The 300-odd European companies fighting for increased shares of a stagnant market are already in the throes of a shake-out. On present trends, after the process of absorption and extermination now under way, there will be four to five major international companies left in Europe with perhaps the same number of "niche" producers in each country producing for local or specialist needs.

Those with the nerve to bet on the outcome suggest that the international survivors, despite many difficulties, not all of which are connected with appliances—will be Electrolux, Zanussi, representing Italy, Philips-Bauknecht in a Dutch-West German combine, Thomson-Brandt of France and the Bosch-Siemens joint production company with AEG-Telefunken representing West Germany.

There is, however, the potential dissenting voice. Mr Sinclair Thomson, managing director of the British TI Group's successful appliance division, "remains to be convinced that the big ones, most are not making money," he says. "You can form aggregations, shed capacity and improve profitability. What happens then? The better profits attract new competition and it starts all over again."

Most industry leaders suggest that Europe will follow the U.S., where the number of washing machine makers has fallen from 60 to five in the past 25 years. Mr Vern Ketchum, vice-president of

White Consolidated Industries of Michigan, recently pointed out the remarkable similarities between the pressures now affecting Europe and those which forced restructuring in the U.S. and left the market dominated by Whirlpool, GE/Fotopoint, Maytag and White Consolidated.

● Rapid expansion in output during the post-war boom which ended in the 1970s, resulting in over-capacity as markets matured.

● Little or no attention paid to marketing.

● Too little new investment in research, new products and plant.

● Changes in the structure of distribution.

Independent dealers faded and powerful multiples took over, stealing the price initiative from the makers and forcing further cuts in margins.

Any examination of Europe needs to start in Italy, still the home of the third biggest major appliance industry in the world, ranking only behind the U.S. and Japan in output.

With the domestic market saturated, Italian manufacturers depend heavily on exports to the rest of Europe. According to Sig Peppeino Fumagalli, managing director of Candy, the 50,000 people employed by Italian appliance companies manufacture about 20 per cent of total EEC white goods output.

In Italy, as elsewhere, there is over-capacity. About 4m of the 30m appliances made in Europe each year remain unsold, and almost two-thirds of these bear the Made in Italy mark. And steadily rising output in Spain and Eastern Europe threatens even greater over-capacity in the future.

Zanussi, the leading Italian maker, now seems to be safe in the Electrolux clinic, and taking regular doses of what the new owners call "Swedish pragmatism and financial rigour." The new management is cutting sales all over again. The company's 1984 sales, which numbered 32,000 in 1983. The latest agreement on redundancies will bring the total down to 14,000 by 1988. An initial four-year, £120m investment programme is already under way.

But Indesit—number two in the Italian rankings, close to bankruptcy in 1980 and still struggling to continue to look for a saviour, only this week the company sacked and replaced its entire board, and revealed a worst-ever loss of £1,066m (\$66m) for 1984. Shunned by Candy—"We are not interested in huge volumes," says Mr Fumagalli—the company and its agents have hawked a partnership prospect around most of the other European manufacturers and there approached the remaining handful of U.S. appliance makers Sig Mario Nobili, the outgoing chairman, said on

cost structure comparable with that of competitors with large domestic markets.

Mr Scharp also offered a clear warning of the company's intentions when he admitted that Indesit's business is "somewhat lopsided." Scandinavia still accounts for 33 per cent of Indesit's appliance sales, he explained, compared with only 30 per cent in the much larger West European market.

While the Swedes are rattling many a nerve, not everyone believes that Indesit will be the going easy. For example, the Swedish name—in a sector where brand familiarity can be as important

as the product—is not particularly well known in some parts of Europe.

Philips, probably the only true multi-national in the group of major survivors, occupies strong positions in all the main appliance markets in Europe. "Philips becomes a naturalised citizen wherever it goes or wherever it acquires a new company," says one competitor. Its main policy is keeping its own house.

In order, an approach reflected in the concentration of acquisitions in the Italian refrigerator market, the recent closure of refrigerator capacity in West Germany, and the impending shut-down of its washing machine works in Halifax, Yorkshire.

Each national market presents its own set of problems. France, dominated by Thomson-Brandt which has 40 per cent of the washing machine market, is strongly nationalistic when it comes to buying appliances. In West Germany, Zanussi already supplies appliances for selling under the Quella brand. This label shares with Miele the top position in the washing machine market and has a clear lead in refrigerators.

Mr Anders Sobarp, group president, said recently in London that the company had two volume output built up on a

Wednesday that negotiations with a potential rescuer had reached a promising stage.

It is now accepted all over Europe that simple economies of scale are not enough. Such advantages and the innovation and relatively cheap labour on which Italy's past successes were founded, have faded. The recession has proved a great leveller, to the extent that labour in parts of Britain now costs 30 per cent less than in northern Italy.

All the main European markets are mature, if not saturated. Most sales are replacements. Consumers are more educated and sophisticated. Competition based on price alone has brought the Italians and others to the brink of calamity even while they have increased market share.

By far the most significant event of the shake-out so far has been the takeover last year of Zanussi by Electrolux, which gave the Swedish group about a 25 per cent share of the total European appliance business.

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In Germany, top brands tend to be German, at least in name. Quella, Miele, Siemens and AEG between them account for more than 60 per cent of the washing machine market. With a strong reputation for reliability, German companies have established a hold at the top end of most markets in Europe. AEG, Bosch-Siemens and Miele between them account for 15 to 20 per cent of the total European washing machine market.

Britain, meanwhile, is a special case. The British household has curious and contrary habits, some of which have made life difficult for home and overseas suppliers. British washing machines, for example, are used twice as often as in some other parts of Europe. And exporters have suffered nightmares adapting their ovens to the arcane specification necessary for the successful baking of fairy cakes and Yorkshire puddings.

Most challenging of all for the importers, however, is the awesome power of British retailers, which, so far, is not matched anywhere else on the Continent. While the big British chains like MFI helped the overseas suppliers become established when they launched their main thrust into the UK, they now have many importers and even domestic manufacturers in a stranglehold. Their mighty bulk ordering power—they take many thousands of appliances at a time—is used as a lever on price.

They also demand and get hefty contributions to advertising budgets. A survey of the top 250 advertisers in the UK last year showed MFI moving up from 27th to 19th place with a budget of £16.5m. "That's our money," complained one aggrieved importer. The first major appliance brand to appear on the list is Hoover, with a budget of less than £4m.

Hotpoint, part of GEC, is one of the most successful UK manufacturers, claiming to have knocked Hoover from the top spot in the washing machine market and enjoying a prominent position in other sectors with a full range of products. It won many admirers for the way it weathered the onslaught of imports in the early 1970s which

caught most UK makers standing still.

Native British manufacturers, although they all rely to some extent on foreign supplies for marking with their familiar labels, appear to be fighting back, innovating space, making inroads into importers' market shares, and even exporting some of their more advanced, high-margin products. Despite the troubles of some companies, the British appliance industry

ALTHOUGH the dollar continues to have good and bad days, the bad ones have become more frequent. It is unlikely that it will in the foreseeable future again exceed the DM 3.4 level, as it did in February.

The band of DM 2.5 to 2.9 in which it has been trading recently represents a fall of 15 to 20 per cent from that dizzy peak. Nevertheless, the dollar is still higher, against the D-Mark (and against the basket of currencies) than for the greater part of last year, during which the "high dollar" was already regarded as a problem.

It could fall a lot further before the Fed or other central banks or finance ministries began to worry that it was "too low." Establishment figures worry about the speed of the dollar's fall, as well as its absolute level, but even here the movement has been consistent with a "soft landing," at least until the middle of this week.

An indication of how "high" the dollar still is can be seen in a projection in the June OECD Economic Outlook. At the time it was made, in April and early May, the dollar had already fallen to around the DM 3.1 level. Yet even then the OECD projected the following path for the U.S. current deficit:

Year	\$bn per annum
1982	7
1983	42
1984	102
1985	120
1986 (1st half)	146
1987 (2nd half)	150

The OECD projections are made on the conventional assumption of no change in the exchange rate. On this basis the U.S. current account deficit was heading for 4 per cent of the U.S. national product—extremely high, however, and one allows for errors and omissions in the payment statistics.

While some of the past deficit could be blamed on the failure of other countries to grow as fast as the U.S., this explanation does not hold water for the increases projected for 1985 and 1986. In these two years, the OECD expects a growth rate for the U.S. virtually identical with that of the OECD as a whole—growth rates faster than the U.S. and Japan, being offset by slightly slower ones in Europe.

It is the size of its current account deficit which persuades me that the U.S. budget deficit really does matter. Without the balance of payments aspect, it would be possible to argue until the cows come home whether a \$600m budget deficit, which is not corrected for inflation, jumps together current and capital payments, and excludes state and local governments, is or is not too large.

The current account deficit

Economic Viewpoint

How to respond to a fall in the dollar

By Samuel Brittan

suggests, however, that borrowing to finance the budget has attracted funds (net) from abroad, which have boosted the dollar and created a cumulative financing problem for the future.

The recent fall in the dollar is not just the result of an independently generated deterioration in sentiment towards the U.S. If overseas investors became disillusioned, and nothing else happened, one would expect U.S. long-term Treasury bonds to fall in price, as more had to be unloaded at home. Instead, U.S. bonds have been on a rising trend for most of the past few months.

The fall in U.S. long-term interest rates is indeed mainly a spillover into the longer end of the market of the easier monetary policies adopted by the Fed in the first half of 1985.

The lower dollar is not so much the backwash of these policies as their deliberate intention. Paul Volcker's announcement on Tuesday of a widening of the range for the Fed's principal monetary aggregate (M1), reducing it on the second quarter of 1985, reaffirms the easier monetary stance. The monetary overrun in the first two quarters is to be treated as a bygone, and there can be little doubt that future overruns will also be explained away if they are necessary to fulfil the Fed's objectives.

These have been only in part to inject a domestic stimulus to help the flagging U.S. boom—an annualised growth rate of

2 per cent has been estimated for the first half of the year. Even more important has been the deliberate desire to use interest rate policy to edge the dollar gradually downwards.

For the Fed's main fear about the U.S. economy is not so much that domestic demand will grow too slowly, but that a growing proportion of that demand will be met by imports, which both slows down the economy and encourages protectionist pressures.

The International Bank Credit Analyst indeed observes in its July issue that "U.S. officials in Washington are totally preoccupied with the economic and political pressures caused by the high dollar

and are determined to force the currency lower."

How much difference would a lower dollar make? Some simulations were provided by the OECD in its December Outlook, which are certainly not holy writ, but at least give a starting point.

A dollar depreciation does not have an instant effect on the trade account, and so-called J-curve reasons, i.e. the higher cost of imports initially outweighs any export stimulus.

So if the dollar loses its shine, there can be no early shrinkage of capital inflows. The current deficit still has to be financed. But there is a change in the composition of

inflows. Long-term inflows are replaced by short-term flows of more speculative nature. Ultimately, however, trade flows do change.

The OECD considers the effects of a hypothetical 17 per cent per annum depreciation of the U.S. dollar (assumed to bring in its wake a 7 per cent depreciation of the Canadian dollar).

The initial effect on the current account would be adverse, but after, say, four years the current balance might improve by \$150m to \$200m per annum. Because of the stimulus to exports, U.S. real GNP might be 1 percentage point higher. If monetary or fiscal policy were tight enough to prevent this rise occurring, the current account improvement might rise to over \$400m in the OECD view.

The lion's share of the offsetting deterioration elsewhere would be borne by Japan, whose current surplus would shrink by over \$150m, which it could easily afford, as it starts from a projected current surplus of \$400m to \$500m per annum. Germany, France, the UK and Italy would show deterioration of about \$50m each. Only Germany could remain unworried, and some modest effect in the currencies of the other three major European countries might be called for.

The OECD also believes that the U.S. price level (not the inflation rate) might be two to three points higher some four years after a 17 per cent dollar depreciation.

This seems on the face of it too small, as it does not pay enough attention to the effects of depreciation on the ability of U.S. domestic producers to raise prices and profit margins. So far the weaker dollar has not affected U.S. inflation, which remains at 3½ to 4 per cent.

But there are early days, and the combination of low domestic growth in the first half of 1985 with falling commodity prices may give a falsely reassuring picture of the eventual inflationary impact.

Another implication of the OECD simulation is that because of greater U.S. competitiveness, GNP would be lower in other countries some 3 percentage points less after four years in Japan and one in two points less in Europe.

This brings us to the familiar question of how Europe and Japan should respond to a contractionary impulse coming from the U.S. Unfortunately, too much attention has been concentrated on a hypothetical reduction in the U.S. budget deficit, and not enough on the possibility of a falling dollar and a consequent recovery in American international competitiveness.

To try to prevent the improvement in U.S. competitiveness would be absurd, given the present U.S. payments de-

ficit, and could only unleash a trade war. Any compensatory action elsewhere would have to concentrate on domestic demand—for instance in Germany.

The new OECD report on that country, after praising the German Government's efforts to reduce the structural budget deficit, gives a gentle hint that the time has come for German tax cuts. The ones envisaged for 1986 and 1988 do no more than compensate for fiscal drag and would not be regarded as cuts at all under UK conventions.

The report accepts that high German unemployment is due largely to structural rigidities, some of which may be worse than the UK. But with the balance of budget virtually in balance on most definitions, and inflation expected to be scarcely above 3 per cent, some tax cuts could both help incentives and keep nominal demand rising at a reasonable rate. A similar analysis could be made for Japan.

These considerations are reinforced by the OECD simulation already mentioned which shows European and Japanese price levels reduced by 2 to 4 percentage points four years after a 17 per cent dollar depreciation. In the case of Germany and Japan, at least, some of the benefit might be taken in the form of higher nominal demand instead of literally zero inflation.

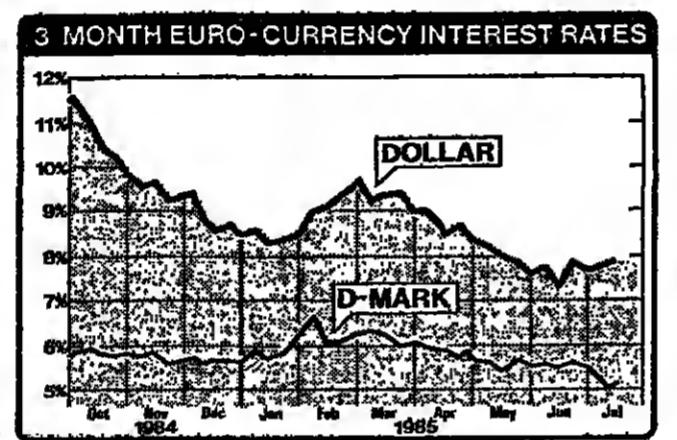
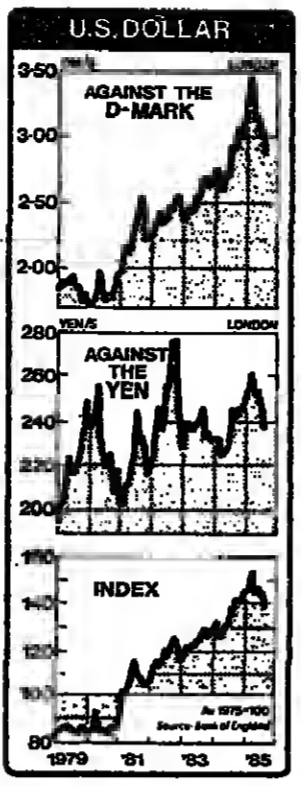
But whatever the OECD prescribes the German and other national authorities are more likely to respond to a lower dollar with interest rate reductions rather than tax cuts.

How much does this matter? This depends on future dollar movements. At one extreme, if there is a collapse of the U.S. currency, the more that other countries can help put a brake on the fall by reducing their own interest rates the better.

At the other extreme, if the U.S. dollar stops falling or recovers, and U.S. protectionists go on the rampage, the last thing that we will need will be interest rate cuts elsewhere which will merely strengthen the dollar. Any stimulation required in Europe and Japan would then have to take a fiscal form.

If the appropriate balance between fiscal and monetary policy depends partly on exchange rate developments, and especially on the dollar, which are inherently unpredictable, then it follows that fiscal policy will need to be more flexible and adjusted more often than long-term strategists might like.

In other words, an element of fine-tuning and mid-year packages might have to return to a theme which I will consider on a future occasion.



Liability for unsafe goods

From the chairman, Consumers' Association

Sir—Judging by Sir Terence Beckett's letter (July 16), the CBI is still unwilling for British industry to accept responsibility for harm caused to consumers by defective products. All that the proposed EEC Directive on product liability does is to impose on manufacturers the kind of legal responsibility which retailers already have, under the law of contract. What have industrialists got to fear about that?

The whole point of the Directive is to move towards strict liability, a system which already applies to shopkeepers (without complaint on their part) in the UK, and to industry in several EEC member states.

The CBI is still trying to insist on a state of the art defence, which would make very little change in principle from the current basis of legal liability on manufacturers, namely negligence.

Sir Terence seems to want to continue indefinitely the special privileges enjoyed in this respect by UK industry. Thankfully, this looks like ending, as, as expected, the Directive is now adopted.

British industrialists should face up to the responsibilities carried by many of their EEC counterparts and stop complaining about the Product Liability Directive, whatever costs may be incurred will, as usual, be passed on to consumers. MPs should speedily and wholeheartedly endorse the agreement reached in Brussels.

Rachel Waterhouse, 14 Buckingham Street, WC2

The market and Seastar

From Mr J. Dornier

Sir—I refer to Peter Bruce's article, "Dornier survives stormy seas in his flying boat" (July 4).

In times where brilliant ideas are so scarce, despite the abundance of money, no sensible man would follow a policy of publishing anyone's ideas, let alone "having a good idea."

My brother Claudius Dornier, who still cannot accept the market's lack of enthusiasm for his flying boat, goes the easy way of putting the blame on some kind of "conspiracy."

That's how a myth is born. The reality is very banal, however.

During the last 20 years Dornier GmbH has incurred substantial costs in undertaking marketing studies for flying boats all over the world. The results have been negative, indicating that bigger flying boats do not fulfill any real need of the market, because their operating costs are too high. It would have been wishful thinking to disregard these

Letters to the Editor

findings and to invest in "nostalgic technology", just for the fun of doing it.

After all, it is the market which will decide whether the Seastar will be successful or not. So let us all wait for the forthcoming proof of the pudding. One thing seems to be evident: Dornier-Benz is not going to eat the pudding prepared by Claudius Dornier.

Justus Dornier, 68, Gerzensee, Switzerland.

Tax and domestic staff

From Mr T. B. Fleming

Sir—I was surprised that the SDP's interesting proposals for reforming personal tax (PT, July 15) contained no reference to the treatment of wages paid to personal employees. I suggest that equity requires that all wages paid by one person to another should be allowable deductions for tax.

If this proposal were put into effect it would result in a significant increase in the employment of domestic staff.

T. B. Fleming, Townend House, Dalry, Ayrshire.

UK users of cellular radio

From Mr B. T. Evans

Sir—I noted with interest the Technology item (July 3): "Time into cheaper rural telephones" as it suggests that mobile users are hardly ever going to use the cellular radio in their cars.

The article included a straight line graph that, in layman's terms, showed that, on average, one telephone line can be shared between 100 rural telephone subscribers or 300 cellular radio subscribers.

Unitary tax argument

From Mr A. Reid

Sir—"The Government's acceptance of Mr Michael Grylls' amendment to provide retaliation unless certain states, particularly California, drop the application of their unitary tax regime to British companies is rather more subtle than either of them seem prepared to admit publicly. Its chances of being successful are correspondingly greater."

The American tax system provides for U.S. companies to set off foreign taxes suffered against their UK tax liability. To the extent that the foreign tax rate is less than the

Whereas this grade of service might be quite acceptable for the more rural parts of the U.S., it seems unlikely that mobile users are going to use their cellular radio less than one minute a day.

However, this low rate of use is typical of Scandinavian radio experience and has formed the basis on which the penetration of cellular radio is calculated for the UK.

I would be interested to learn whether the new users of cellular radio in the UK use their equipment as little as has been predicted.

Brian Evans, 19 Casselbury Park Avenue, Watford, Herts.

Mitsubishi v Soler

From Sir Alan Neale

Sir—The Supreme Court decision in Mitsubishi Motors v Soler Chrysler-Plymouth, reported by Dr Hermann (July 15) will be of interest and value to non-American suppliers whose arrangements with American distributors closely resemble those of Mitsubishi with Soler.

But the business world should be wary about the suggestion that it may have wider applicability and enable a whole range of anti-trust claims against non-American firms to be dealt with swiftly and cheaply by arbitration.

It is, for example, wholly implausible to suppose that Laker would or could have negotiated contracts with the major airlines to lay down, subject to arbitration, how much of the market to North America he would capture or at what point and how the major airlines would react to his competition; and it is certain that any such contract would itself have been in breach

of the Sherman Act. Still less could non-American parties whose legitimate arrangements overseas are deemed under the "effects doctrine" to be in restraint of U.S. commerce expect to make arbitrable contracts with all in the U.S. who might later claim to be harmed by them.

The decision is an important and interesting one but it should not be overvalued.

Alan Neale, 95, Swains Lane, N6.

International business and U.S. law

From Mr F. McWilliams

Sir—The appearance of two items (July 11) relating to the state of American law, appears to show that the Supreme Court is giving a lead which Federal and state legislatures would do well to follow.

I refer to the parliamentary report on the clause added to the Finance Bill regarding unitary taxation by the U.S. Administration and certain states, notably California. Under this clause the Treasury would be able to take retaliatory action.

Should such action become necessary it would be a matter for great regret but the delays in achieving any satisfactory agreement may render it necessary.

The second article, Business Law, deals with the decision by a 5-2 majority of the Supreme Court that American law claims raised in the context of international disputes could be decided by arbitrators, and that as long as they respected American anti-trust laws their awards would be respected by U.S. courts.

Like your legal correspondent, I fall to follow the logic of the decision but as an arbitrator I applaud the fact that it gives international arbitration a boost by recognising the arbitrator's power to deal with such matters. More importantly, I applaud it as being a move away from the attempts to govern international business by American domestic law.

Francis McWilliams, 25 Old Buildings, Lincoln's Inn, WC2

Lombard

Labour relations and the law

By John Lloyd

"The inevitable insistence that what is justiciable must be adversarial is a basic misconception where the parties are in a permanent relationship."

Thus Sir John Wood, Professor of Law at Sheffield University and chairman of the Central Arbitration Committee, in his Hitachi Lecture on Industrial Relations.

The observation is at the core of a challenging thesis on how far the law has changed what we used to think of as the voluntary system of British industrial relations. As he reminds us, it was in 1968 when the Donovan Commission expressed what was conventional wisdom when it said that the British system "is based on voluntarily agreed rules which, as a matter of principle, are not enforced by law. This is an outstanding characteristic which distinguishes it from the systems of many comparable companies."

A few years after it was written, events appeared to prove it right, the Heath Government's package of reforms in the 1971 Industrial Relations Act was ultimately rejected—largely, it seemed, because managers and unions held to the principle that the law was better out of their deliberations.

A decade on, the invasion of the lawmakers is better prepared and on surer ground, though the first bridgehead, never destroyed, had been established under the 1971 Act, in its introduction of the right to challenge unfair dismissals.

The industrial tribunal system called into being thereby has been dramatically "successful"—as Sir John notes "in an area where there had been no recourse to the law complaints flowed freely... in 1983, there were 37,123. It is obvious that once the law provided easy access and the chance of compensation it would be welcome."

Indeed, the voluntary system was often bypassed.

Its effect on personnel practice has been to formalise and regulate, and now, because of the flood of cases, a danger that the whole system becomes choked and inefficient.

The more recent changes are harder to evaluate because they are still "bedding down": only yesterday, the TUC was endeavouring to grapple with them, and to cajole its affiliates

into a common position on them (an increasingly difficult task). Further, since the new law (unlike the 1971 Act) puts the onus on employers and union members to act, the consequence is a build-up of precedent-setting case law which can be wholly unpredictable. Sir John, as he freely confesses, favours predictability as far as possible.

In addition, he says (and the miners' strike comes to mind here) "where the civil law is backed by recourse to injunction and declaration, followed by fine and imprisonment for contempt where the court's ruling is not accepted, the civil law has much of the impact of the criminal law."

Careful consideration ought to be given the unsettling and often unfair result of the creation of such law by precedent.

There is little sign that the Government is sympathetic to the points raised by Sir John; the Employment Secretary, will soon consult on limiting strikes in essential services, and on new measures to extend membership rights within unions—which may well give members more channels of recourse to law. For a corporatist like Sir John, none of this is very welcome.

If it is the case that we have found ourselves in a post-Donovan world of regulation, however, it would probably be wise to take Sir John's advice before careering further down the path—a point perhaps implicitly conceded by the CBI in its sceptical response to the prospect of new legislation, published earlier this week. We need to heed him when he says: "Rigid control and remedying of misbehaviour are not enough. Neither is the 'blind-fold' technical application of the rules. Law has always needed equity. It needs humanity too."

And we should especially heed his concluding advice: "Since the new law is only indirectly systematic it needs to be viewed and assessed overall. The impact of a system born from treating perceived abuses—strikes, picketing, closed shops and so on—must like medicine be concerned with disease and neglectful of good health care. The time is rapidly arriving when an overall review will be essential."

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FINANCIAL TIMES

Thursday July 18 1985

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Quentin Peel examines the manoeuvring of Belgium's coalition parties

Heysel tragedy becomes political football

"WHAT HAPPENED in the Heysel stadium on May 29 was a catastrophe for our country, and for our government," Belgian Prime Minister Wilfried Martens concluded on Tuesday night as he contemplated the battered remains of his coalition.

The riotous behaviour of British football fans at the European Cup final in Brussels between Liverpool and Juventus, when 39 died in the crowd and hundreds more were injured, was a direct cause of the political crisis that has come to a head over the past two weeks, he said.

The result is an administration which is, in the words of one commentator, "clinically dead," even if on paper it is being held together for a few more weeks.

The government programme has been reduced to the absolute minimum acceptable to the four coalition partners. Parliament will be dissolved at the end of the summer holidays, and general elections held in October, two months ahead of schedule.

Yet Mr Martens's blaming of the football tragedy for the strains within his government, even if understandable, is not entirely fair. It is rather more remarkable that the coalition has held together so long, given the strains within the fractured and fragmented Belgian political system in the run-up to the poll.

For months already, the political parties, including all four in the government, have been manoeuvring for advantage. The coalition of centre-right parties - the Flemish-speaking Christian Democrats (CVP) and Liberals (PVV), and the French-speaking Social Christians (PSC) and Liberal Reform Party (PLR) - have managed to maintain a common front on their economic policy. On the broad-and-bitter background of communal politics across the linguistic divide between Flanders and Wallonia, however, the strains have begun to show.

It was inevitable, therefore, that an important law-and-order issue such as the political responsibility for the failure of police security at the Heysel stadium, would become a political football. The only question was who would take advantage of it.

The Socialists (divided, like everything else in Belgian parties, between French and Flemish-speaking parties) were happy to go along with demand for the resignation of Mr Charles-Ferdinand Nothomb, the Social Christian leader and Interior Minister. But their real electoral fire will be reserved for

economic issues, and above all how to tackle unemployment running at some 14 per cent.

That was when Mr Jean Gol, the dominant figure in the PLR, and Minister of Justice in the coalition, turned on his fellow deputy prime minister, presenting himself as the champion of political morality and tough law enforcement.

The two protagonists could scarcely present more of a contrast: Mr Nothomb is a tall and languid figure, who described his mood as "serene" on the eve of the debate demanding his demise. Mr Gol is the picture of an all-in wrestler, burly and aggressive in physique as in speech, who denounced his critics in the press as "dwarfs incapable of seeing anything but ulterior motives."

Both parties are competing for the conservative vote in French-speaking Wallonia. They face a Socialist Party that has successfully mobilised not only the groundswell of economic dissatisfaction in the declining heartland of Belgian heavy industry but also a significant section of Walloon nationalist sentiment. If they are to make electoral gains, it will almost certainly be at each other's expense.

In spite of Mr Gol's denials, therefore, Belgian commentators have been unanimous in perceiving ulterior motives in his attack on Mr Nothomb, which culminated in his dramatic resignation on Monday, followed by those of his five ministerial colleagues from the PLR.

Equally, the Belgian monarch appears to have read the political mood of the country well. King Baudouin is forced to exercise his constitutional powers with a great deal more frequency and subtlety than Queen Elizabeth in the UK, because of the regular upsets in coalition government. So he simply placed the resignations "in abeyance" and forced the politicians to think again.

The squabble cannot particularly help the coalition parties in the run-up to the elections. Mr Gol and the PLR have emerged looking decidedly unreliable: first they demanded Mr Nothomb's resignation; then they compromised in the parliamentary debate and voted with the Government; then Mr Gol resigned; and finally he retracted in exchange for an early election.

Mr Martens himself is in a much stronger position in Flanders, where the CVP is the largest party, and has been slowly recovering in the polls. But he was obviously hop-

ing for the maximum possible time before elections to allow economic recovery to continue. Moreover, his Flemish Liberal allies have been losing ground to the Socialists more rapidly.

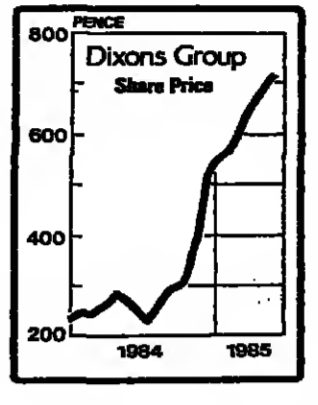
In ideological terms, the present Belgian coalition is the nearest thing to a coherent government the country has had in recent years, and its survival for 3½ years reflects that. Alliances between Christian Democrats and Socialists have proved notoriously unstable, and their economic policies have tended to be those of the lowest common denominator.

Mr Martens bravely insisted on Tuesday night that his coalition would be able to carry on after the October elections, in spite of the harsh words exchanged between the French-speaking parties. His election platform will remain the need for continued economic austerity on public spending combined with fiscal reforms to reduce personal taxation.

Thanks to the Heysel, however, he will now go to the polls looking like a lame-duck administration. The Belgian voters might well then elect a political combination of parties that makes a continued centre-right coalition unworkable.

THE LEX COLUMN

Going up, going up at Debenhams



Six months ago, the proposition that anybody might offer more than £500m for Debenhams would have seemed absurd and the idea that such an offer could be resisted would have met with no takers at all. Yesterday saw the improbable spectacle of Debenhams turning down Burton's final cash offer of 327p per share, and being credited around the City of London with an outside chance of holding out.

If Debenhams were to carry off this unlikely feat of resistance, it will owe less to the intrinsic merits of an ingenious defence than to the intervention of third parties, notably House of Fraser. Buying into Debenhams immediately after the first Burton offer, Fraser succeeded in pushing the price well out of Burton's reach, and can take much of the credit for extracting the extra £128m that is now on the table. Though Fraser could scarcely be allowed to bid on its own account, there is every possibility that it may try to block Burton by further purchases before the game is over.

That could scarcely have remained a possibility if Burton had come through with a knock-out blow, somewhere above £800m. On Burton's own arguments, so long as there is more goodwill in its own share-price than in Debenhams', asset dilution is not threatened so within limits the actual level of the bid ought not to matter.

There is the rub: the City is not much enjoying its underwriting just now, and Burton's shares looked none too robust yesterday. The goodwill arithmetic cannot be faulted in its own terms, but it would probably not have supported a more extravagant offer. Indeed, there must be a risk that the present offer will leave Burton's shares looking a bit ragged before it is through yesterday they were down 27p to 448. At least that suggests that the market is discounting the issue of a lot more Burton paper to Debenhams shareholders. But yesterday the Debenhams share price closed up below the value of Burton's cash offer.

It probably does not matter much. The sale of Currys' television rental business will raise £20m and, in winding down its hire-purchase operation, Dixons can free some £50m from debtors this year and a further £20m in 1986-87. Dixons continues to show that it can derive a better return on its shareholders' money if it is not tied up in freehold property, and a sale-and-leaseback on some of the old Currys stores could raise another £25m. By the end of this year, Dixons' equity may well be no more highly geared than if the acquisition had never taken place.

Such balance sheet alchemy is probably discounted in a share price that has more than doubled since last October's bid for Currys. It may take longer for the market to recognise the volume potential at Currys stores under Dixons' management. At 717p, up 7p yesterday, the share price may look dizzy, but on prospective pre-tax profits of £20m or more, and a 35 per cent tax charge, Dixons is rated at under 18 times earnings - which is no dizzy premium to the sector.

Positions staked out for Gatt talks

By William Dullforce in Geneva

THE EEC and Brazil yesterday formally staked out within the council of the General Agreement on Tariffs and Trade (GATT) the positions on which the battle to secure new multilateral trade negotiations will be fought today and possibly tomorrow.

Mr Tran Van-Thinh, the EEC ambassador, introduced a draft resolution calling for a meeting on September 9 of senior officials to prepare a new round of talks which would cover trade in services as well as in goods. He insisted that the council had to take a decision during its present session.

Brazil countered with a draft resolution under which senior officials would meet in September to "explore the possibility" of new negotiations in goods only.

A separate meeting would be called in October for an "exchange of information" on trade in services, Brazil proposed.

Sr Paulo Nogueira Batista, the Brazilian ambassador, said his country's proposal was "a serious contribution to unblock the impasse" which had been created by the introduction (initially by the U.S.) of the services issue.

The industrialised countries have agreed that a new GATT round should deal with services. A hard core of developing countries, led by Brazil and India, has maintained that GATT is not competent to handle services.

The Brazilian resolution represents a softening of this attitude but Sr Batista still stressed yesterday that "international bodies to be agreed upon" should prepare and give secretariat support to any talks on services.

Brazil also stipulated that there could be no "parallelism" between the talks on services and those on goods and that there should be no trade-off between the two.

Mr Tran's immediate response for the EEC and almost certainly for the industrialised countries as a whole was that conditions about services should not be allowed to block a council decision on calling a preparatory meeting. Brazil's ideas could be discussed at that meeting, he said.

There is no doubt that a vote within the GATT council would secure a majority for the EEC resolution. The industrialised countries recognise, however, that it is important for the success of the new round to achieve a consensus that would embrace the developing countries.

EEC steps up pressure, Page 5

Soweto violence poses fresh threat to Pretoria's authority

By Anthony Robinson in Johannesburg

THE CHALLENGE to the authority of South Africa's white Government intensified yesterday as mounted troops and riot police battled with more than 1,000 youths in the Johannesburg township of Soweto.

In contrast to many other townships around the country, some of which were yesterday suffering further violence, arson and boycotts, Soweto has remained relatively calm until now.

But the uneasy peace of this sprawling black city of more than 2m people was broken yesterday morning when several hundred youths hijacked seven township buses and ordered their drivers to take them to the Protea magistrates' court near the heart of Soweto.

They aimed to show solidarity with 105 student activists arrested last Saturday after a demonstration outside the house of the mayor of the township.

Police ordered them to disperse and then fired teargas into the crowd. Mounted soldiers armed with carbines charged into the mass of people, dragging several demonstrators with them. Dog-handling police and others in armoured cars then finally snuffed out the demonstration.

Meanwhile, gangs of youths roamed the township, setting fire to the home of the mayor, burning and looting a meat delivery truck and stoning passing cars and buses. Among the targets of arson attacks were shops owned by white businessmen. A car was also set on fire beside Maynard's discount store, the largest black-owned supermarket in Soweto.

The bus company decided to withdraw bus services from the township, presenting thousands of homework-bound commuters with the prospect of a long trek from the township boundaries to their homes.

Tension has been building up in Soweto and the township of Alexandra, even closer to Johannesburg, in recent weeks, with attacks on the houses of councillors, black policemen and alleged police informers. But Soweto, into which millions of rand have been poured to improve housing, electricity and sewerage since 1976, has hitherto escaped the kind of endemic violence which has

sowed death and destruction in other black townships across the country.

In a hazy footnote to the unrest, police said that the tourist bus which regularly takes foreign tourists around Soweto to see this show-place township was stoned yesterday morning and had to be escorted out of the area.

Meanwhile, reports of continuing violence flowed in from townships throughout the country, while thousands of students boycotted schools. White shopkeepers in the Port Elizabeth area called on the Government to "take cognisance of black grievances and problems" as local black militants enforced a shopping boycott by blacks against white businesses. A similar boycott and work stoppage begins today in the Pietermaritzburg area in support of striking workers from the BTR Sarnool plant in Howick.

Stemens' South African subsidiary yesterday fired about 1,200 black workers at five of its plants after they refused to end a strike.

Buthelz calls for power sharing, Page 4

Burton lifts bid for Debenhams by 24%

By Martin Dickson in London

BURTON GROUP, the UK clothing retailer, yesterday raised by 24 per cent the value of its fiercely contested takeover bid for Debenhams. But the new terms, which value the department stores group at £553m (£778m) were immediately rejected by the Debenhams board.

Burton, which said the new offer was final, accompanied it with a forecast that its profits for the year to August would be not less than £70m, up 38 per cent on the previous year, and about £5m higher than City of London analysts' expectations.

Burton, which bid is being backed by Habitat-Moetere, also said it had bought 8.6 per cent of Debenhams shares in the market yesterday and on Tuesday night - largely from Guardian Royal Exchange and the Electra-Globe group - giving it a total holding of 9.3 per cent.

A revised bid had long been expected, since Burton's original offer had consistently remained well below the Debenhams share price.

It is now offering three Burton shares and either £3 of convertible loan stock or £3 in cash for every five Debenhams shares. The previous offer was three Burton shares and £2.50 in cash for every six Debenhams shares.

Burton has also increased the value of its cash alternative from 25p a share to 32p.

Underwriting of the new terms was completed yesterday afternoon although Burton's share price fell 7p on the day to close at 448p. At that price its paper offer is worth 32p for each Debenhams share.

Debenhams' share price closed last night at 32p, down 7p on the day, and below both the paper and cash offers.

Mr Ralph Halpern, Burton's chairman, said the new terms were a "winning offer which represents full and fair value for all shareholders."

Mr Halpern, who before launching the bid in May said he doubted whether Debenhams was worth £450m, explained yesterday that the new offer was justified in the light of Burton's plans for the development of the stores, as well as Debenhams' recent profits forecast and property valuation. A takeover would mean no dilution of earnings for Burton's existing shareholders.

"We have evaluated it very carefully. If we thought we couldn't afford it, we would have walked away," he said.

However, Debenhams replied that the offer still ignored its "record increases in profit, earnings and dividends per share, together with the outstanding prospects for future growth." Burton, it added, had "nothing to offer Debenhams in managing multi-level stores and is more attuned to running small high street multiple shops."

The fate of the bid appeared finely balanced last night. An important factor will be the role of the other major interested shareholders in Debenhams, particularly House of Fraser, the rival stores group which has built up a 10.4 per cent stake. Neither it, nor Harris Queensway, which holds an estimated 4 to 5 per cent, was commenting yesterday.

See Lex

Paris pledges extra FF1bn

Continued from Page 1

French views were underlined by M Hubert Curien, the French Research Minister, who said concrete projects should be put together under the leadership of an industrial team with complete responsibility for their realisation.

British and German officials were cautious over financing. They said marketable projects would have to be put forward before detailed funding could be worked out.

German officials, who saw yesterday's meeting as marking the "birth" of Eureka, said that Herr

Riesenhuber's figure of DM 300m could come partly from existing budgetary funds through a reorganisation of government subsidies for industry. Britain is giving priority to financing from the private markets, with Sir Geoffrey Howe emphasising the "new and imaginative financing packages" which European banks could put together for Eureka.

A group of experts from the participating countries and the EEC Commission is to meet, probably after the summer holidays, and will report to the later ministerial meeting on which projects can be supported and with what financing arrangements. The experts will call on expertise of industrialists. A British official said: "The decision on projects cannot be a bureaucratic one; it must be linked to industrial and marketing considerations."

Britain hopes that a small group of officials from six or seven of the leading countries will be set up to steer Eureka on a longer term path. West Germany, however, yesterday appeared to be calling for all 17 countries to be involved in the process.

BankAmerica in \$338m loss

Continued from Page 1

5al increases in other revenue, mainly from investment banking activities such as securities trading and foreign exchange.

Partly offsetting those gains was a higher provision for loan losses, which totalled \$181.3m in the second quarter, up from \$80.5m a year earlier.

At the end of June, \$2.06bn of the bank's loans, or 3.63 per cent, were non-performing, up from \$1.84bn at the end of March.

Britain launches fraud investigation at JMB

Continued from Page 1

UK banks to cover JMB's losses, which at £248m amount to more than half its loan book of £400m.

In the Commons, Mr Lawson came under pressure to explain why the possible fraud had only been uncovered 10 months after the rescue despite the strong suspicions of Labour MPs for some time. He said the Bank of England investigators had only last week discovered the documents to be missing.

The Bank inquiry into possible fraud was, he said, not the only thing it was engaged in. The Bank had been concerned with stopping further outflows and to get JMB back into shipshape and saleable condition.

Labour MPs argued that the delay might mean that the offenders escaped.

Mr Brian Sedgemore, who has taken a close interest in the affair, asked whether Mr Lawson was aware that "Mr Michael Hepker, chairman of a public company, Sumrie Clothes Ltd, who today left the country, has been leading the Bank of England auditors, Graham Mark and Robin Collier, up the garden path ever since the collapse of Johnson Matthey in relation to a £1.5m loan made to Ravensbury Investments, an offshore Isle of Man company, which loan involved a whole series of frauds, including a fraud on Johnson Matthey?"

Mr Sedgemore asked Mr Lawson to confirm that, "on June 28 1982, Eric Allen, the director of the International Bureau of Maritime Fraud, went to see Ian Fraser, a director of Johnson Matthey, to tell him about various proven misdeeds in which Mr Mahmud Sipra, who controls the El Saeed empire, which led to the collapse of Johnson Matthey, had been involved."

Mr Sedgemore asked for confirmation that on December 12 1982, Mr Allan "telephoned Mr Fraser to tell him that Mr Sipra was caught up in a £3m fraud and it was ridiculous to continue to lend him money," only to be met with the reply by Mr Fraser: "You chaps are all the same. You don't give anyone a chance."

Most Conservative MPs welcomed the announcement, but a number were worried about the broader implications in view of the recent controversy over Lloyd's and given the forthcoming bill regulating the city's securities markets.

Mr John Stokes said that the "honesty and integrity of the City of London is now at stake."

World Weather

Location	Temp	Wind	Cloud	Precip	Location	Temp	Wind	Cloud	Precip
Aberdeen	10	10	10	10	London	15	15	15	15
Amsterdam	12	12	12	12	Manchester	14	14	14	14
Antwerp	11	11	11	11	Paris	16	16	16	16
Birmingham	13	13	13	13	Portsmouth	15	15	15	15
Belfast	9	9	9	9	Reading	14	14	14	14
Bombay	28	28	28	28	Sheffield	12	12	12	12
Buenos Aires	22	22	22	22	Southampton	14	14	14	14
Calcutta	30	30	30	30	Stirling	11	11	11	11
Canton	25	25	25	25	Swansea	10	10	10	10
Cebu	27	27	27	27	Torquay	13	13	13	13
Colon	26	26	26	26	Walsley	12	12	12	12
Hankow	24	24	24	24	Warrington	13	13	13	13
Hong Kong	28	28	28	28	Widnes	12	12	12	12
Kobe	23	23	23	23	Wolverhampton	11	11	11	11
London	15	15	15	15	Wrexham	10	10	10	10
Lyons	16	16	16	16	Yarmouth	11	11	11	11
Manila	29	29	29	29					
Medan	27	27	27	27					
Osaka	24	24	24	24					
Perth	11	11	11	11					
Rangoon	26	26	26	26					
San Francisco	14	14	14	14					
Singapore	28	28	28	28					
Sourabaya	27	27	27	27					
Tokyo	23	23	23	23					
Yokohama	24	24	24	24					

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To arrange a confidential meeting please contact Sarah Gates on 01-404 5751, or write to her at Investment Division, 23 Southampton Place, London WC1A 2BP.



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JOBS COLUMN

Buying power of executives across the world

BY MICHAEL DIXON

THE TABLE alongside gives an idea of what a typical senior manager's pay buys in 21 different countries. The source of the information is the Inbucol management consultancy which this morning publishes its latest survey of international taxation and living costs.

As always the Jobs Column has room to pass on only a small sprinkling of the survey's findings. Readers who want the full report, which costs £120, should contact Don McCune, the consultancy's salary research manager, at 197, Knightsbridge, London SW7 1RN; telephone 01-584 6171, telex 916533.

Even if you do obtain the full report, however, it will be no use looking in it for a table corresponding precisely with the one printed here. The reason is that Mr McCune has kindly updated the exchange rates used in working out the figures in the report—the rates at April 1—to those prevailing at the close of London markets last Monday.

The updating affects not only the sterling equivalent of the net pay of the other countries' managers in their local currencies, but also each country's cost-of-living (COL) index, which is calculated on the basis of London costs as 100.

You won't find this particular COL index anywhere but in the Inbucol survey either. The reason for this is that it is

Ranking	Country	Cost-of-living index*	In local currency: Gross pay	Pay net of tax	Sterling equivalent: Net pay	(% change in COL index Jan 84-85)
1	Switzerland	108.9	Sfr239,000	Sfr158,000	£47,600	(+3.0)
2	U.S.	125.6	\$123,800	\$69,500	£50,100	(+3.9)
3	France	93.4	FF394,600	FF241,000	£24,300	(+2.8)
4	Canada	102.4	C\$114,000	C\$69,200	£36,900	(+2.0)
5	W. Germany	94.3	DM224,000	DM127,000	£31,700	(+2.3)
6	Italy	88.0	L112.2m	L67.8m	£26,200	(+9.4)
7	Spain	87.1	P4.79m	P5.47m	£23,800	(+10.8)
8	Japan	148.5	Y20.1m	Y12.5m	£25,600	(+11.3)
9	S. Africa	74.9	R81,700	R50,100	£18,900	(+11.3)
10	Austria	97.8	As1,053m	As627,000	£22,300	(+5.4)
11	Australia	93.5	A\$77,700	A\$41,700	£21,200	(+5.1)
12	UK	100.0	£34,600	£22,500	£22,500	(+4.2)
13	Belgium	91.7	Bf4.6m	Bf1.4m	£20,200	(+5.4)
14	Netherlands	94.6	Fl191,000	Fl89,900	£20,000	(+3.2)
15	Greece	82.3	Dr4.72m	Dr2.74m	£15,300	(+18.8)
16	Norway	120.7	Kr551,000	Kr257,000	£22,100	(+6.3)
17	Ireland	78.6	Ir62,800	Ir21,600	£16,900	(+7.6)
18	Finland	120.2	Mk263,000	Mk148,000	£20,000	(+7.4)
19	Denmark	105.3	Kr711,000	Kr339,000	£16,700	(+6.7)
20	Sweden	110.6	Kr534,000	Kr293,000	£16,500	(+6.9)
21	Portugal	78.3	Esc2,904m	Esc1,801m	£7,700	(+22.8)

* At rates of exchange at close of London markets, Monday July 15 1985.

ing the average of all the available indices of living costs throughout the world which show a reasonable consistency, including the United States Government's Washington Index, Germany's official Wiesbaden Index and the United Nations Index.

A still more important point about the COL measure used in my table is that it does not take account of the costs of housing in different countries. The reason is that such costs are liable to vary widely not just between different regions in the same country, but also with

whether the person in question is a long-term resident or on a shorter stay, and so on.

I will give some indications of differences to housing costs a bit later on. But first let's consider the table, bearing in mind that the COL index on which it is based takes account only of costs of items such as food and drink, clothing, transport and the like as typically consumed by the kind of executive who serves as the table's standard.

That executive is typified by Inbucol as the managing director of a marketing and distribution company with turnover

equivalent to £20m and about 450 employees. The gross pay of such a manager in the UK is put at £34,600.

What we are primarily concerned with is the purchasing power of the manager's take-home pay in each of the different countries, and it is that which determines how each country is placed in the ranking.

Reading to the right, the country's name is followed by its COL index figure. Theo, in terms of the particular local currency, come the executive's gross pay and net pay. The net pay is calculated by

assuming that the person is married and has two children and deducting from the gross pay the relevant income tax and social security contributions.

Next comes the net pay's sterling equivalent at the exchange rates of last Monday evening. Then comes the "buying power of take-home pay" figure, on which the ranking is based, which is worked out by applying the COL index to the sterling equivalent of net pay.

After that, for good measure, on the far right-hand side of the table appears the percentage rise in Inbucol's COL index figure for each country between the Januaries of 1984 and 1985.

Now to keep the promise I made earlier to give some idea of differences in the costs of housing in the principal cities of the 21 countries which I have listed. Here, of course, the consultancy is able to provide at best very approximate indications. The standard city is London.

In only two other places covered by the table is the housing-cost indicator higher. For every £100 a week you'd typically pay for housing in London, you would pay about £35 a week in New York and around £140 in Tokyo.

After the UK capital, the next highest cost is that of Zurich, where for every £100 a week paid in London you would pay about £95.

By the same measure, Inbucol's housing-cost indicator is only two other places covered by the table is the housing-cost indicator higher. For every £100 a week you'd typically pay for housing in London, you would pay about £35 a week in New York and around £140 in Tokyo.

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tors for main cities in the remaining 17 countries work out at: Johannesburg £88, Vienna £84, Madrid £78, Brussels £77, Athens £74, Sydney £72, Copenhagen £67, Milan and Oslo £65, Amsterdam £62, Helsinki and Lisbon £61, Paris and Toronto £60, Hamburg £55, Dublin £50 and Stockholm £37.

But none so far mentioned is among the 13 most expensive cities to the world. According to the consultancy's check in January, the international prize for general living costs goes to Tehran where goodies priced at £100 in London would have set you back £317.

Then came La Paz in Bolivia with an equivalent cost of £235, Luanda in Angola with £208, Tel Aviv with £188, Nigeria's Lagos with £189, Accra in Ghana with £185, Santo Domingo in the Dominican Republic with £177, Baghdad with £176, Buenos Aires with £175, Port of Spain in Trinidad with £174, Kinshasa in Zaïre with £171, Cairo with £170, and Muscat in Oman with £168.

Only in 14th place in the world league do we find the first of the places covered by the table. Tokyo, tied with Dubai in the United Arab Emirates and Addis Ababa in Ethiopia with about £158, New York came 28th with £132. London was no higher than 85th. The cheapest places were Belgrade in Yugoslavia and Mbabane in Swaziland with just over £85.

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The Treasurer's senior managers operate as a closely knit unit, with responsibility being delegated from the Treasurer in such a way that operational performance is measurable and for which each manager is accountable.

The jobholder will have day-to-day responsibility for short-term money instruments: negotiable bonds, time deposits, certificates of deposit, short-term local authority loans, Treasury Bills and bills of exchange.

Money market operations require rapid decision making in a continually changing environment. The jobholder will be constantly anticipating and assessing changes in the short-term markets, evaluating their implications to the Society and determining responsive action to either safeguard and improve our liquidity investments or to minimise our short-term wholesale funding

cost. Close liaison with other areas of the Finance Division is essential.

This highly visible and challenging appointment, which enjoys considerable autonomy, calls for a graduate in an economics-related subject, aged 25-35, who has at least two years money market experience in a building society, bank or insurance company. A professional accounting qualification would aid career progression, but is not a prerequisite for this appointment.

The competitive salary package includes subsidised mortgage facilities, BUPA and relocation expenses where appropriate.

Please telephone Brian Burnett, Assistant Treasurer, on 01-486 5555 ext 4377, if you would like to discuss the details of the position and your suitability for it. Or send a full cv to Shirley Pointer, Manager - Personnel Services, Abbey National Building Society, 201 Grafton Gate East, Milton Keynes MK9 1AN.



Managing Director

Middlesbrough Enterprise Partnership

c. £20,000 plus car

The Britannia Enterprise Zone covers 190 acres on the south bank of the River Tees to the North-West of Middlesbrough town centre. It offers unique opportunities and incentives for development in the heart of Teesside. Two projects of special interest are a CAD/CAM computer complex (already in operation) and the provision of a 20 acre site for Ocean Technology use. Some speculative development has already taken place, but the next phase will focus on the planned and grant-assisted development of vacant sites, and the establishment of a managed workshop scheme.

Reporting to the MEP Board, the Managing Director will be responsible for refining the outline strategy for the Enterprise Zone and actively promoting it in a co-ordinated fashion. This will involve undertaking market research, making contact with potential participants and providing

day-to-day advice and assistance on all aspects of the development. In short he/she will be the focal point for all new projects from inception to completion.

Applicants, probably in their forties or early fifties and educated to degree level will be experienced general managers with proven organisational ability and outstanding social skills. Experience of similar development projects would be advantageous, as would offshore oil knowledge. Most important, however, will be the ability to become quickly committed to the imaginative promotion and regeneration of this local community.

The remuneration for this key post (which is initially for two years but capable of extension) is expected to be in excess of £20,000 p.a. plus car.

To apply please send full career details, together with current salary, or telephone for an application form to: Ross Monro, ref: GM74/9438.



PA Personnel Services

Executive Search - Selection - Psychometrics - Remuneration & Personal Consultancy

Norwich Union House, 73-79 King Street, Manchester M2 2JL.
Tel: 061 236 4531.

BUSINESS ANALYST Information Technology

To £18,750

At Hammersmith & Fulham we are committed to using the latest information technology to produce effective solutions to business problems.

We've recently invested in an impressive array of hardware including twin ICL 2966 mainframes and an integrated network based on ICL's DR5 product range. On top of this we're planning more IFA and VANS facilities to exploit the potential of our network even further.

This is where you come in.

We need someone who can conceive and develop an overall systems strategy for key areas of our work - end to make sure that individual systems developments dovetail in to that strategy. You'll be in charge of your own projects, and not be part of a massive team. In this sort of environment, the development time is extremely fast, so you'll quickly be seeing the results of your own work. To handle the job, an accounting background would be extremely useful.

It's a challenging post and to find out exactly where you could fit in, phone Ken Mander, our IT Director on 01-741 3856.

Or you can write to Hammersmith and Fulham (Personnel), Town Hall Extension, King Street, Hammersmith W6 9JU or telephone 01-741 0904 (24 hour answering service) quoting ref: CTBA.11.

Hammersmith & Fulham

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Est. over 30 years

Recruitment Consultants

Excellent salary package London, Coventry and Reading

We are now entering a phase of rapid growth and development and therefore need to recruit six consultants aged 30 to 45.

Applicants should ideally hold a good degree or technical qualification relevant to, and have previous experience in, one of the following fields of activity:

Financial, Banking, General Management, High Technology, Computer, Microwave, Electronics, Food and Drink Manufacturing and Grocery Distribution, Marketing and Sales, Pharmaceuticals, Property, Manufacturing, Civil Engineering and Construction.

Whilst previous experience in recruitment in UK and overseas is valuable, it is, above all, quality we are seeking. Above average effort and achievement will bring commensurate reward.

There is ample scope for promotion for the right people.

Please send a curriculum vitae quoting Ref. 6778, to Brian G. Luxton, Mervyn Hughes (International) Ltd., Management Recruitment Consultants, 37 Golden Square, London W1R 4AN. Telephone: 01-434 4091.



1985 Graduate

An excellent career opportunity exists at London Life's modern new office building in Bishopsgate, near Liverpool Street Station.

We are looking for an assistant to the Manager of the fixed interest investment portfolios. The work would involve statistical compilation and analysis, including performance measurement, evaluation of fixed interest and index-linked stocks.

The ideal candidate would preferably have a degree in mathematics or another numerate discipline. He/she must have good communication skills.

In return we offer:-

- A salary of between £6,250 and £7,100
- Immediate mortgage subsidy scheme
- Non-contributory pension scheme
- Free lunches

Please apply in writing, with a full C.V. to Mr E.J. Richardson:-

*Investment Manager
The London Life Association
25 Bishopsgate
London EC2M 3XX*

London Life is an Equal Opportunities Employer.

PUBLIC RELATIONS

£12,500 - £25,000 + BENEFITS

(with/without experience)

We are in contact with a number of major PR consultancies whose dynamic expansion has created openings ranging from Account Executive to Account Director levels with outstanding career prospects. In some cases PR experience would be essential; however our clients would be just as interested in graduates with upwards of 2 years' experience in Merchant Banking, Stockbroking or Accountancy, up to a salary level of £18,000. If you are aged 25-30 (or 45 in the case of those with PR experience) contact Barry Egglestone or Neville Price for further details.

Price-Jamieson

& Partners Ltd

Recruitment Consultants

Paramount House, 100/102 Colindale Avenue, London NW9 1BA.

Telephone 01-431 1005

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London: 01-588 6771, 35/37 Fitzroy St., W1P 5AF.
Bristol: 0272 22367, Mages House, 78 Queen's Rd., BS8 1QX.
Birmingham: 021-632 5286, 14 Corporation St., B2 4RN.
Manchester: 061-228 0089, Sunley Building, Piccadilly Plaza.

Also Corporate Outplacement Specialists with our affiliates Lander Corporate Services

YOUNG FINANCE EXECUTIVES for BP Finance International

BP Finance International (BPFI) is the international finance arm of the British Petroleum Group worldwide. BPFI acts as a principal in financial transactions between Group operations and the external markets and is fully accountable for its business results. BPFI is also responsible for Group strategic and developmental finance planning and for the provision of financial services to Group Businesses and Associate Companies.

Corporate Finance is one of four Divisions in BPFI. It operates as the BP Group's internal merchant bank. Its functions include merger and acquisition assignments, capital market operations, debt and equity management, and financial service activities. We require young finance executives to work in these areas.

Candidates, in their late twenties or early thirties, must be graduates, preferably with appropriate additional qualifications. They must have several years' experience in directly relevant merchant investment/banking activities and possess outstanding analytical and interpersonal skills.

These positions offer competitive salaries and benefit terms in a stimulating business environment, together with broad opportunities for career development in a Group operating worldwide in the petroleum industry and a range of other activities.

Please write or telephone for an application form, quoting ref. 8.245 to:

Susan Skolar, Recruitment Branch, The British Petroleum Company p.l.c.,
Britannic House, Moor Lane, London EC2Y 9BU. Tel: 01-920 3484.

BP is an equal opportunity employer.

The British Petroleum Company p.l.c.

BANKING OPPORTUNITIES

BOND TRADERS/STRAIGHT 20s £30,000 neg
FRN TRADER/SALES 20s
Prime international bank seeks bond trader with 1/2 years' experience to join highly professional trading team. Another expanding merchant bank seeks straight and FRN traders/sales persons. Minimum 1 year's experience.

FOREX DEALERS 20s £18,000 to £27,000 p.a.
Major international bank of good repute seeks experienced spot and forward dealers, all major currencies.

URDU SPEAKING Late 30s/40s c. £25,000/£26,000
A Rupee bank is sought by West End LDT to market commercial banking products to the Muslim community in the U.K. Connections and previous experience of marketing to this sector is important.

CREDIT ANALYST WITH Mid 20s/ £17,000/£19,000
MARKETING POTENTIAL early 30s p.a.
An experienced, possibly U.S.-bank-trained credit analyst, preferably with Spanish or knowledge of South America, is sought by international bank. The person sought should have a sales-oriented personality and want to break into marketing.

ASSISTANT MANAGER 28/35 max. £16,000 p.a.
MANAGEMENT ACCOUNTS (could be higher)
Assistant manager required by successful international bank to supervise team of 6 management reports clerks working on computer management accounts. Person must have good management skills and be able to train junior staff. Please apply with Elizabeth Heyford regarding all above positions on 01-377 8600.

BUSINESS DEVELOPMENT Min. age 27 £13,000
OPPORTUNITY IN p.a. neg.
EXPANDING ORGANISATION
Marketing officer is sought to assist/support the business development manager by research/preparation on rating of potential customers. Right applicant should have minimum of 6 years' experience and have an operational background in credit finance. We are a thriving organisation with all usual banking facilities.

Please speak with Julian Orla regarding above position on 01-377 8600

LJC BANKING

146 Bishopsgate, London EC2M 4JX: 01-377 8600

ADVANCED MANAGEMENT PROGRAMME MSc in MANAGEMENT

ACTION LEARNING

This is a management development programme for a limited number of senior executives. It is concerned with achieving results. Taking Action—learning through action and strenuous practical experience. This programme is the most well established and widely recognised "Executive" style action learning programme leading to a Masters Degree. The programme demands a commitment from the student AND his organisation and is concerned with giving the responsibility to cause change and improvement in the organisation at strategic level.

There are two phases to the programme:

- Action Learning through solving a strategic problem in the organisation over the first year.
- Research in the organisation in the second year.

Entrance requirements are flexible, e.g. senior level experience may compensate for lack of formal higher educational qualifications. Minimum age of 30 years.

Please apply for more details in writing to Sandra Bagg, The Registry, North East London Polytechnic, West Ham Precinct, Romford Road, London E16 4LZ.

NELP North East London Polytechnic

Postal no. 2113413

Analyst Project Appraisal LONDON

up to £18,357
British Gas wishes to appoint a Financial Analyst to work in their Central London offices, with a small team responsible for the financial appraisal of capital expenditure proposals and of other major plans and policies. The successful applicant will have a professional qualification not necessarily in accountancy or a degree in a numerate discipline, and will have substantial experience of investment appraisal probably in a large company. Starting salary will be in the range £16,081 - £18,357. Benefits are those normally associated with a large and progressive organisation.

Please apply quoting ref. F/00077/004, to:
Assistant Personnel Manager (HQ Services),
British Gas, 59 Brynston Street,
London W1A 2AZ.

BRITISH GAS

an equal opportunities employer

Deputy Director Administration

UNION BANK OF SWITZERLAND (SECURITIES) LIMITED is the UK based investment banking subsidiary of the largest bank in Switzerland and is a leading participant in the International Capital Markets.

Recent expansion of the Company's activities has resulted in a substantial enlargement of its Administration department which is responsible for Accounting, Data Processing, Communications, Office Supplies, Management Information and Securities Settlements. It is now appropriate to appoint a Deputy Director, Administration who will assume direct control of the Securities Settlement functions and will deputise for the departmental director in all other areas.

We require a person who can demonstrate a proven record of success in, and a comprehensive knowledge of the settlements procedures for Eurobonds and other international securities. We would expect applicants for this position to be articulate in writing and speech, have good communications skills with all levels of personnel, have a quick grasp of, and positive approach to, problems, be highly motivated and mentally agile.

A full benefits package including an attractive salary, subsidised mortgage, company car, railway season ticket, non-contributory private health insurance and pension scheme is being offered to the successful applicant for this interesting and demanding position.

Candidates clearly meeting all the stated requirements are invited to send a full curriculum vitae and any other relevant information to:

Lyn Usher, Personnel Manager,
Union Bank of Switzerland (Securities) Limited,
Stock Exchange Building,
London, EC2N 1EY



BUSINESS DEVELOPMENT OFFICER

CORPORATE FINANCE DEPARTMENT
MAJOR INTERNATIONAL BANK
AGE 25-33 c£20,000 AND BENEFITS

A major International Bank with a strong London presence is in the process of expanding its Corporate Finance Department and is seeking to appoint an experienced marketing officer to work closely with the Manager, in the Department's further development. This is an excellent opportunity for a young, ambitious international banker who is able to make an immediate and positive contribution. Previous success as an established Marketing Officer to U.K. Corporates, coupled with a degree and business qualification, signals the calibre of individual that the bank would ideally like to appoint. They would also be interested in hearing from candidates with less experience who, although well qualified, would like an opportunity to increase their marketing skills.

For the right candidate, the base salary will not be an inhibiting factor. Interested candidates, please write as soon as possible with full career details, quoting ref. TRL 501, to Peter Lee-Hale



LINK RECRUITMENT LIMITED
13/14 Hanover Street, London W1R 9HG or
Telephone him on: 01-588 2326

STORES SUPERVISORS

GREATER LONDON
c. £12,500 + CAR

Rapid expansion means more vacancies for outstanding Field Managers. High calibre men and women are offered tremendous scope for progression in the exciting venture. Candidates should be experienced retailers - perhaps currently running a group of grocery or fast food outlets, off-licences, newsagencies or maybe petrol stations. You are probably in your mid to late 20's, an excellent communicator who knows the importance of motivating staff - a real "people" person. Ready to take on the responsibility for controlling the sales and profitability of 6 - 8 7-Eleven Stores? Contact Claire Osborne on 0604 21902 for an application form.

7-Eleven, Elgin House, Billing Road
Northampton NN1 5AF.

BANKAMERICA TRUST COMPANY (JERSEY) LIMITED

TRUST OFFICER

Our Client seeks a young professional to join the management team and assume responsibility for the administration of a diversified range of worldwide assets on behalf of corporate and individual clients - the appointment will be based in Jersey.

Candidates will possess practical experience in international trust and company administration and should hold, or be approaching, the Institute of Bankers Trustee Diploma or a recognised accounting qualification.

The successful applicant will be able to demonstrate a strong administrative ability together with the personal qualities necessary to deal effectively with clients at a senior level.

Prospects for career development are truly excellent and a competitive salary will be augmented by an attractive fringe benefits package - applicants must have Jersey residential qualifications 'in their own right'.

Contact Norman Philpot in confidence
on 01 248 3812.

NPA Recruitment Services Ltd

60 Cheapside, London EC2, Telephone 01-248 3812 3 4 5
Management Consultants - Executive Search

BUSINESS RESEARCH

The Banking, Insurance and Finance Unit in PA Management Consultants in the UK is strengthening its multi-disciplinary, London-based team in response to strong market demands. A Researcher is required to support the Unit's further development, which will include imaginative research on relevant business trends.

In this sector, particularly regarding retail financial services, we help banks, insurance companies and building societies to find innovative ways to improve profitability... win competitive advantage... sharpen market strategy... grow assets... reduce costs... and improve management effectiveness.

Candidates should, preferably, be in their mid-twenties with a good honours

degree and 2 to 3 years' relevant experience in a stockbroking or commercial environment.

An excellent remuneration package is offered, together with good prospects of progressing into a mainstream consultancy role.

Applications, with detailed career

histories, should be sent to:
Donald R. McKee,
PA Management Consultants,
Bowater House East,
68 Knightsbridge,
London SW1X 7LJ.

PA

PA Management Consultants

PA consulting group - Management Consulting - Technology -
Computers and Telecommunications - Personnel Services

Administration Director

London

c.£35,000+benefits

Our client, a thriving and expanding legal practice, wishes to recruit an outstanding and enthusiastic "professional" for this new and challenging appointment, which has arisen through present and future practice development.

Reporting to the Equity Partners, through Managing Partners in the first instance, the successful applicant will assume total responsibility for the administrative functions for the firm including office administration and information systems, financial accounting, statistics, personnel, economics and procedure of meetings, management etc.

Candidates, aged 35 to 50, in possession of a related major qualification, must have gained a breadth of high level administrative expertise, not necessarily including partnership work, but in an expanding commercial company or institutional environments where office automation is considered an important aspect of future development.

The importance of this appointment is reflected by a competitive salary, whilst other benefits include non-contributory pension scheme arrangement, 5 weeks holidays per annum and a non-contributory private health scheme.

Candidates can make application by quoting MCS/7166 and requesting a personal history form from Michael R. Andrews, Executive Selection Division, Price Waterhouse, Southwark Towers, 32 London Bridge Street, London SE1 9SY.



U.K. CORPORATE MARKETING

£25,000+

Our Client, an expanding European Bank, is seeking an experienced Corporate Marketing Officer, in the 28/40 years age range, to set up and manage a new department. The successful applicant will have significant contacts throughout the U.K., gained within a Banking or Financial Services environment, and will now be seeking the opportunity of a fresh challenge. The salary is negotiable, and a full fringe benefits package is offered, including mortgage facility and company car. Please contact Trevor Williams or Richard Meredith.

CAPITAL MARKETS

MARKETING - EUROPE

To £40,000

A major London Investment Banking Institution requires an experienced European Private Sector Marketing Executive to promote their Investment Banking and Capital Market products, particularly in Germany, Switzerland and Benelux. Candidates should have current experience in marketing to European Corporates in these areas, together with a knowledge of German.

NEW ISSUES

£Neg

A New Issues Executive is sought with 2/3 years experience in Securities, working on pure bonds and FRNs. The role envisaged will be execution based and will encompass product support and delivery, product development through customer support, as well as shadowing market activity in all currencies. A first class salary/benefits and incentive package is available.

SWAPS

c.£30,000

Two positions exist for experienced Swaps Executives. The first will cover book running/hedging activities. The second involves risk management and product development.

For the above vacancies please contact Bryan Sales or Roger Steare.
All applications will be treated in strict confidence.

JONATHAN WREN & CO. LIMITED,
170 Bishopsgate, London, EC2M 4LX Tel: 01-623 1266

Jonathan
Wren
RECRUITMENT
CONSULTANTS

Key role in Major Financial Group Planning & Development Manager

City c.£30,000 + finance sector benefits

Our client is a highly successful major UK Financial Group poised for an exciting programme of business development and acquisition. It is now seeking to recruit an experienced and able executive to assist in the planning and implementation of this critical function.

The sums involved are substantial and the Group is highly visible in the public eye. It is essential that the successful applicant possesses relevant experience of developing a diversification strategy through to detailed acquisition programme and tactics. You should have a first degree and may also possess an

MBA or further professional qualification. The position requires an analytical and inventive thinker who can fluently express ideas at the most senior management levels.

The remuneration package befits the high level of accountability and includes comprehensive benefits and a prestigious company car.

To express your interest, please write, quoting ref CRS 391 listing names of companies to whom your enquiry should not be forwarded. All applications will be handled in the strictest confidence by:

Roger Tiplie, Director

Lockyer, Bradshaw & Wilson Limited, 178 North Gower Street, London NW1 2NB.

LBW

LOCKYER, BRADSHAW & WILSON LIMITED
A member of the Addison Page PLC Group

Capital project evaluation experience in oil or gas?

BP Petroleum Development Limited is one of the largest operators in the North Sea with three major oilfields — Forties, Buchan and Magnus — currently in production.

We are looking for two top quality graduates in a numerate discipline initially to join the team of Commercial Analysts at our Dyce headquarters. The Economics and Planning Group requires an Analyst to work together with exploration, petroleum and production specialists on the evaluation of investment opportunities in the UK Sector of the North Sea.

Ref. DEP/B/6.

The Commercial Branch within one of the Field Groups is responsible for the planning and financial aspects of operating the field and liaison between BP as operator and its partners.

This appointment will involve long term planning activities and the co-ordination of communications with partners.

Ref. FOR/B/2.



BP PETROLEUM DEVELOPMENT LIMITED
BP is an equal opportunity employer.

A career background in capital project evaluation is preferred and experience of hydrocarbons exploration and production will be very useful. The age indicator is up to 30.

A competitive salary, related to age and experience, is offered and benefits include a non-contributory pension scheme, free restaurant and sports/social facilities at Dyce. Career prospects are excellent both within the UK and worldwide.

Please write or telephone for an application form quoting the appropriate reference number to:

Mrs. Janet Cormack,
Assistant Administration Officer,
BP Petroleum Development Limited,
Farburn Industrial Estate,
Dyce, Aberdeen AB2 0PB
Tel: (0224) 832512.

PR MD

A long established, respected and broadly based London group within the communications field is establishing a specialist PR company with equal emphasis on corporate, financial and consumer work.

A challenging opportunity exists for an executive to head the venture. He or she will have the appropriate experience, contacts and the manner to attract and lead a team with complementary strengths.

A highly rewarding package will reflect the importance of the position.

Brief details please in complete confidence to the Managing Director

Write box A9078, Financial Times 10
Cannon Street London, EC4P 4BY

SENIOR FINANCIAL COMMUNICATIONS CONSULTANT

We are looking for an experienced consultant to work with a number of existing clients and new prospects, advising them on all aspects of their Financial communications programmes. The main prerequisite will be an ability to discuss communications issues with the companies' senior management, and to be able to translate the strategy into a plan of action.

Individual backgrounds may be from an existing PR firm, from financial journalism, or from one of the City stockbroking firms or institutions.

MWB is a leader in the corporate and financial communications market, is growing fast and offers exciting prospects to anyone with ability, ambition and drive. Our clients include many blue chip names.

Applications to: Anthony Wreford
McAvoy Wreford Bayley Limited 36 Grosvenor Gardens London SW1W 0ED
Telephone: 01-730 4300

McAvoy Wreford Bayley

Link Management Selection

YOUNG TREASURY ASSISTANT

Major International Group

Central London

c.£15,000 + lease car

The group is one of Europe's largest, best-known and most successful names. Its London operational office is responsible, among other duties, for the cash management of funds generated by a number of UK subsidiaries, as well as for the international treasury function. We are looking for a qualified (relevant degree or Accountancy) financial assistant, mid to late twenties, to work with the Financial Officer in these areas. The position requires regular

contact with many major banks and offers enormous opportunity for high level work. Ideal candidates should have one year's experience in international treasury work and, as the future is not restricted to the UK, should be interested in career development across Europe. We will be moving quickly on this assignment, so please ring Terry Ward, or write (Reference 5039/TRW) with a telephone number for immediate interview arrangements.

Link Management Selection, 13-14 Hanover Street, London W1R 9HG. Tel: 01-493 5788

BANKING RESEARCH & DEVELOPMENT MANAGER

Central London c.£18,000 + car + benefits

Abbey National is one of Britain's leading building societies actively involved in developing new financial and banking services for their large customer base.

Our Banking Division is actively examining the implications of recent developments affecting money transmission and delivery systems. We intend to exploit fully the opportunities provided by changes in legislation and technology, and to this end we want to add to our team a banking specialist who will research and develop new strategies in this increasingly competitive area.

We are ideally looking for someone, preferably with a business school or other professional qualification, who has experience and a thorough knowledge of current banking systems, and who has proven leadership qualities.

This post offers a genuine challenge in an innovative and creative financial environment to a banking professional of high calibre. You must have a detailed understanding of relevant banking practices and legislation as they relate to money transmission systems, as well as being able to offer advice on various types of unsecured lending.

Contact with senior management of the Society and other banks and finance companies is frequent and you must be able to secure good working relationships at this level.

Career opportunities are excellent and there will be considerable scope for influencing future policies of the Society. The competitive salary package includes subsidised mortgage facilities, BUPA and relocation assistance where appropriate.

If you would like to find out more about this position and assess your suitability, please telephone David Evans, Banking Controller on 01-486 5555 ext 4325, or send a full cv to Shirley Pointer, Manager — Personnel Services, Abbey National Building Society, 201 Grafton Gate East, Milton Keynes MK9 1AN.



Company Secretary

Salary very negotiable

Our Client is a hugely successful, nationally known, non-food retail group with several major businesses. Based in Kent, the Group is rapidly becoming a 'blue chip' company in the UK and has a multi £million turnover.

The man or woman appointed to the position of Company Secretary will ideally have a legal degree, as well as an established track record as Secretary or Assistant Secretary within a significant company, preferably but not necessarily within the retail industry.

Self-motivation, flexibility and the ability to react quickly in a challenging growth environment are vital requirements.

In addition to providing a professional company secretarial service to ensure that all legal and statutory obligations are fulfilled, this senior role will also carry responsibility for other key functions including insurance, pension and share option schemes.

The appointment carries a top quality remuneration package which includes a fully negotiable salary, prestige car, BUPA membership, non-contributory pension scheme and a share option scheme.

If you are aged around 30-40, have the experience and personal qualities necessary to fulfil this demanding and challenging role please send full career details to Michael Dunning, Crawford Halls Harrison Cowley Recruitment Limited, 5-7 Forlease Road, Maidenhead, Berkshire SL6 1RP. Tel: 0628 26162.

Please list separately any companies to which your application should not be forwarded.

CHHC

Crawford Halls Harrison Cowley Recruitment Ltd.

Eurobond Transactions and Documentation

UNION BANK OF SWITZERLAND (SECURITIES) LIMITED is the UK based investment banking subsidiary of the largest bank in Switzerland and is a leading participant in the International Capital Markets.

As part of an extensive expansion programme we now require a suitably experienced person to join the documentation and transaction team within our Syndication Department. Applicants should ideally have two to three years experience of dealing in an active Eurozone market house.

In addition to an attractive salary, related to experience, a generous package of benefits is offered.

Candidates should apply in confidence detailing their career history, salary and reasons for application to:

Lyn Usher, Personnel Manager,
Union Bank of Switzerland (Securities) Limited,
13th Floor, Stock Exchange Building,
London EC2N 1EY.



King Edward's Hospital Fund for London

KING'S FUND COLLEGE

APPOINTMENT OF BURSAR

(College Manager)

The King's Fund College combines business school and management consultancy activities and is mainly concerned with management development in the National Health Service. It has expanded rapidly in the last three years and is now seeking a Bursar who will install new financial, administrative and information systems to support the complex activities. In addition, the successful applicant will be responsible to the Director for the management of the Falaise Court site, which provides teaching accommodation, Faculty Offices, 50 residential places and the King's Fund Head Office. There are approximately 60 employees accountable to the Bursar. The Faculty consists of nearly 30 Fellows who are accountable to the College Director.

We are looking for someone who has already held relevant managerial posts and has some experience of developing small-scale business or financial systems. We would encourage the post holder to take a role in the academic life of the College, including in due course some lecturing on management systems. The person appointed will also need to demonstrate the capacity to manage a small but complex organisation and to be able to handle employee relations sensitively.

The Bursar will be expected to relate equally both to senior professional staff from the National Health Service, to the Faculty, and to visiting academic and professional staff from other countries.

Some experience in the NHS, University or related field could be an advantage. Pleasant working environment, good fringe benefits. In common with other senior posts in the College the appointment would be for three years but could be renewed by mutual agreement.

Salary, depending upon age and experience, on a scale from £16,823 to £21,250.

For further details and an application form which must be returned by 26th July 1985 contact
DR. IDEN WICKINGS, ACTING DIRECTOR
KING'S FUND COLLEGE
2 PALACE COURT, LONDON W2 6HS
Telephone: 01-229 5351

FUND MANAGER

PRIVATE CLIENTS

Touche Remnant, an independent international investment house, is seeking young people of excellence and high potential. The immediate need is for a fund manager to specialise in their growing private-client base. Candidates should be in their late 20s or early 30s and show concrete evidence of having an exceptional grasp of the needs of private clients, who include wealthy individuals, charitable trusts and other discretionary funds. The position will be made financially attractive for candidates of the right quality.

Written applications with a full curriculum vitae should be sent in confidence to:

Mr. L. R. Maclean
TOUCHE REMNANT & CO.
Mermaid House, Puddle Dock
London EC4 3AT

FUND ANALYST

Mathematician, Economist, Accountant or MBA
Above £15,000

The Investment Division of a major UK institution based in London is seeking a specialist in quantitative techniques and fund reporting to develop their analytical strengths across a range of funds managed.

The successful candidate will have specific responsibility for the analysis of fund performance, drafting and editing reports to clients, input to new product development and investment policy committee decisions.

Exposure to, and interest in developing, computerized methods of performance analysis are essential and a financially orientated degree or M.B.A. will be of particular advantage.

If you consider your qualifications and experience will be of interest to our client in filling this interesting and challenging position, please write to, or telephone, me in strictest confidence to arrange an informal discussion.

Derek A. Burn, MCP, Consultants, Halton House, 20, Holborn, London EC1N 2JD
Ref: 7/265 Telephone 01-405 9000/9001.

MCP Consultants
Financial Sector Human Resources

Wardley Unit Trust Managers Limited Senior Administration Clerk

Wardley Unit Trust Managers Limited, a member of the Hongkong Bank Group is looking for a Senior Administration Clerk experienced in all unit trust administration work with particular emphasis on taxation. Excellent working conditions and a good salary are offered plus usual benefits.

Applications in writing, with CV, should be sent to The Personnel Office, Wardley Unit Trust Managers Limited, Wardley House, 7 Devonshire Square, London EC2M 4HN.

Young Marketing Executives

A major US bank is currently looking for talented young bankers to join one of its highly successful departments which deals with some of the most prestigious corporate names in the world. Joining a small, versatile team, this represents an outstanding opportunity to gain immediate exposure to a variety of transactions including:

★ Lending ★ Capital Markets ★ Project Finance

Candidates will have bank credit training (preferably US) and should be graduates/MBA's with a high level of ambition and personal commitment. Efficiency, professionalism and initiative are essential if you are looking to pursue your career in this dynamic and rewarding environment.

The salary package is attractive and prospects for promotion are considerable. Interested applicants, probably aged 23-28, should contact Christopher Smith on 01-404 5751 or write to him at the Banking & Finance Division, 23 Southampton Place, London WC1A 2BP, quoting ref. 3512.



Michael Page City
International Recruitment Consultants
A member of the Addison Page PLC group

Investment Manager Birmingham

Circa £20,000

Our client, a leading Merchant Bank and member of the Accepting Houses Committee, has developed a unique decentralised structure with provincial offices.

The steady highly profitable growth of discretionary investment management business in the Edgbaston office based on performance, and providing close personal client relationships, has created the need for another Manager to join the team working from the prime business and residential district and within easy commuting distance of extensive rural areas.

Candidates will have considerable investment experience gained with a stockbroker, merchant bank or institutional investor and the potential to take advantage of promotion opportunities based upon self-reliance within a small team.

The remuneration package is fully negotiable, largely determined by candidates who should telephone (021 632 5758) or write in confidence (quoting reference 1515) to Mr. Lorne Smith as advisor to the Company at:

John Anderson & Associates
Executive Search & Selection
Norfolk House, Smallbrook Queensway, Birmingham B5 4LJ.

AUSTRALIAN EQUITY SALES

A. C. Goode & Co. Limited, a leading firm of Australian Stockbrokers with offices throughout Australia and also in New York and Geneva is expanding its London equity sales team. High quality research and support from Australia backs this highly successful team.

We are seeking a top calibre person with a proven track record in our industry, who will probably have had considerable experience of the Australian market. This is a senior position with excellent scope for career progression.

A salary commensurate with experience will be supplemented by a generous performance related bonus.

Please apply in confidence to:-

Mr B. C. Hervey
A. C. GOODE AND CO. (UK) LIMITED
1 Founders Court, Lothbury, London EC2R 7DB.
Tel. No. 606-3131 (Private Line)

GUINNESS MAHON & CO. LIMITED

CORPORATE FINANCE

ASSISTANT DIRECTORS/MANAGERS

In response to the increasing demand for its Corporate Finance services, Guinness Mahon is enlarging its Corporate Finance team at the senior level of assistant director and manager. Our requirement is for men or women with more than five years' relevant public company corporate finance experience. This will probably have been gained in a merchant bank, a firm of stockbrokers or a firm of solicitors.

We shall provide an excellent opportunity for suitable candidates to develop their career in merchant banking through to Board level. As part of a large and expanding finance services Group, we are experiencing considerable growth and we need more people of high calibre to join our existing Corporate Finance team.

Salary levels will be highly competitive. Benefits include a company car and those normally associated with senior employment within a merchant bank; and also the opportunity to participate in a group profit-related incentive scheme.

Please write in strict confidence enclosing full career details to:

Patrick Allen, Managing Director
BERESFORD ASSOCIATES LIMITED
Boundary House, 91/93 Charterhouse Street
London EC1M 6HR



Treasurer London

Required for a group of companies in the service industry - turnover £15m.

As part of the small corporate headquarters team, the Treasurer will maintain a tight control of funds and will advise the Chief Executive on cash management, investment and funding requirements. Production of consolidated results, the issue of bonds and the provision of ECGD cover are all within the Treasurer's jurisdiction. A public quotation is to be sought later this year, therefore familiarity with SE procedures would be advantageous. The salary and benefits package is negotiable according to experience and will not be a limiting factor.

Applicants should send an up-to-date curriculum vitae indicating present package, for the attention of Denise Tilton, to: Recruitment Division, Smedley McAlpine Limited, 67 Long Acre, London WC2E 9JG.

All applications will be forwarded direct to our Client. Please list in a covering letter, any companies you do not wish to approach.

Smedley McAlpine

FLEMINGS ELECTRONICS RESEARCH

An opportunity exists in the Research Department of Jardine Fleming's Tokyo office for an analyst to follow Japanese electronics companies.

The successful candidate will have a broad knowledge of the electronic industry, probably acquired within a financial institution. A detailed knowledge of the Japanese electronics industry is not essential, nor is a knowledge of Japanese, as a Japanese speaking assistant will be provided.

A full benefits package will be available in Tokyo including salary commensurate with qualifications, experience and performance. Applicants of either sex should write enclosing a curriculum vitae to:

Frank Smith,
ROBERT FLEMING & CO. LTD.
8 Crosby Square,
London EC3A 6AN.

Sell Unit Trusts

Highly successful and recognised as one of the UK's leading investment companies with over £3 bln under management, our client offers you scope to broaden your horizons and enjoy a progressive and varied career.

You will be a key member of the marketing team selling the full range of unit trusts and investment services to financial intermediaries such as stockbrokers, insurance brokers and financial planners. This will involve servicing existing relationships, identifying and developing new contacts and contributing to overall marketing policy.

You will benefit from the company's extensive experience in fund management, its wide range of unit trusts and comprehensive marketing and support

facilities. Energetic and innovative, you already have a successful financial sales record in investment or insurance products. A true professional you will be recognised as an individual performer whilst being an integral member of a team of like minded individuals.

For the right candidate the remuneration package of salary and performance related bonus should produce earnings in excess of £25,000. Additional benefits include a company car, season ticket loan, BUPA, contributory pension scheme and life assurance. To apply please telephone or preferably write in complete confidence to Barbara Lord, Senior Consultant, Cripps, Sears & Associates Ltd., Personnel Management Consultants, 88/89 High Holborn, London WC1V 6LH. Tel: 01-404 5701.

Cripps, Sears

GENERAL MANAGER

Midlands Region

National Girobank is seeking to appoint a General Manager to control and further develop its corporate and personal banking business in the Midlands Region from a well-established and profitable base. The Bank's Midlands Regional Office was established in 1981 and now has over 300,000 active accounts and employs over 200 staff.

Reporting to the Director Customer Services and working in close liaison with the Bank's Midlands Region Board, the General Manager is responsible for providing leadership and direction to Corporate Services, Personal Account Services, Credit Management and Public Relations functions to achieve the highest standards of service and performance and profitable development of the Bank's Regional activities.

Candidates for this position will be able to demonstrate strong skills and experience in senior financial or sales/marketing management within a commercial, preferably financial services, environment. Proven leadership qualities are essential, together with the standing and presence to meet and influence businessmen from the top levels of the commercial, social and economic spheres of the Region, and the determination to forge out new growth and business opportunities for the Bank.

Salary up to £29,000 + car

Commencing salary is negotiable up to £29,000 and further performance related salary progression is possible. Other main benefits in addition to a Bank car, are 5 1/2 weeks holiday and contributory index-linked pension scheme. Assistance with relocation to within reasonable daily commuting distance of the Birmingham base will be provided where necessary.

National Girobank is an established UK Clearing Bank with a substantial growth record in both corporate and personal banking markets and further growth and diversification is planned.

Please reply in writing outlining career, salary progression and how your skills and experience match the requirements of the job to:

Peter J. Farner, Head of Management Development,
National Girobank, Biddle Road, Soothe, Merseyside LIR 0AA.



Business Development Managers COMMERCIAL FINANCE

Richmond, Surrey and Manchester

Salary circa £20,000 + Car + benefits including mortgage subsidy

Boston Financial Company Limited, a highly progressive subsidiary of The First National Bank of Boston, Mass., U.S.A., provides working capital to both small- and medium-sized companies throughout the U.K.

Planned expansion has created first-class opportunities for two people to become members of our marketing team. Applicants will handle new business negotiations for our main products, Confidential Receivables Financing, Factoring and Term Loans. They should have a thoroughly professional outlook, be highly self-motivated and determined to succeed in a stimulating

environment. A high degree of communication skills and the ability to negotiate successfully at top management level are equally essential prerequisites of the appointment.

Applicants should have relevant experience in a banking or factoring environment. Product training will be given. It is unlikely that anyone under the age of 25 will have the necessary experience required. The posts carry an attractive benefit package which includes company car, mortgage subsidy, free health and life insurance, and relocation expenses where appropriate. These are excellent opportunities for career advancement.



BOSTON FINANCIAL COMPANY LIMITED

Please apply with cv to:

N. Livingston, Marketing Director
Spencer House, 23 Sheen Road, Richmond, Surrey TW9 1BG

INTERNATIONAL AND MERCHANT BANKING

NEW ISSUES/SWAPS/ETC.

We are currently recruiting on behalf of prime name US merchant banks for their debt product marketing areas. You will be marketing full range of debt instruments to Central Banks, Superintendents and Corporates. The positions will be London based and will cover France, Benelux, Germany, Scandinavia and the United States. Applicants should have 2/5 years previous experience, and be seeking a positive career move to an expanding environment. Salaries will be negotiable upwards from £20,000 plus comprehensive benefits.

PRIVATE BANKING

In order to enhance their established private banking functions two major US Banks would like to meet candidates with relevant experience in this area. You should have had experience of dealing with high net worth individuals, and advising them on a comprehensive range of investment products. You could have been gained in a stock broking or investment house. The positions will be based in London, one with an emphasis on Europe the other on the Far East. Fluency in European language and/or Chinese would be an asset. Salaries would be negotiable upwards from £20,000.

US \$ STRAIGHTS

A major US Bank are seeking a chief trader, with 4/5 years' experience, to head up their developing straight trading desk. The person appointed will be involved in all aspects of the bank's straight trading activities, including the recruitment and building of a first class team. We would therefore be interested in hearing from candidates who would like to be considered for positions in the trading team. Salaries are negotiable, plus bonus and comprehensive benefits.

EUROBOND SALES

If you currently feel that your ability and experience is not being recognised, we are recruiting for two positions which will give a high degree of autonomy and responsibility. Both positions will be as No. 1 sales with well established Banks, one European the other Japanese. Development will be an integral part of both positions and candidates should be able to demonstrate senior management potential. Salaries will be in the range £20-30,000 depending on the level of experience.

TREASURY MANAGER

Our client, an international bank with an outstanding reputation, they seek a highly competent treasurer capable of assuming responsibility for the London operation. Although a strong bias towards a broad based treasury background is imperative, a thorough understanding of it would be a distinct advantage. Candidates will need to demonstrate a first class background in a similar position and display a high degree of initiative. Salary negotiable to £25,000 plus excellent benefits package.

CHIEF DEALER - MONEY MARKETS

Wide range experience and depth of knowledge in the money markets are essential prerequisites for this position. Candidates must have a proven track record with leading international banks, recognised for their expertise in this area. Management ability is a prerequisite and this should be coupled with a mature but progressive outlook. Familiarity with treasury instruments is desirable. This position will be based in the Middle East and remuneration is negotiable.

ROGER PARKER ORGANISATION

65, LONDON WALL, LONDON EC2 5TU
01-588 2580 Telex 8811725 CITLON G

INTERNATIONAL SEARCH & RECRUITMENT CONSULTANTS

Stockbrokers

Do you feel that your current position may not offer you sufficient opportunities to express your skills and achieve your ambitions - or that your individuality may be threatened within the large and diverse firms which will emerge after the Big Bang?

If so this could be your opportunity! Raphael Zorn is an old established stockbroking firm who intends to remain independent in the

face of the forthcoming City changes.

If you are aged between 25 and 40, currently conducting substantial business in The Stock Exchange and intend to be a partner within 3 years - we would like to hear from you. This is an excellent opportunity for enthusiastic and enterprising individuals who want to express their skills in an exciting environment.

For an initial interview telephone or write in complete confidence to Mr D. Betts.



R A P H A E L Z O R N

established 1887
10 Throgmorton Avenue, London EC2N 2DP and The Stock Exchange
Tel: 01-628 4000

Senior Money Market Dealer

Owing to promotions within the Group, the above vacancy has arisen. This is an ideal opportunity for an experienced Money Market Dealer with at least five years experience to join a young and dynamic team in a modern high tech dealing room. The Bank continues to expand into new products and is interested in people with an innovative approach to the market and their jobs.

The appointment will come with an attractive remuneration and offers the future prospect of overseas experience in PRIVATbanken's worldwide branch network.

Applicants should write, enclosing a full C.V. to the Personnel Department, PRIVATbanken Ltd., 107 Cheapside, London EC2V 6DA.



FINANCIAL CONTROLLER

The well established and expanding London Branch of a European bank are seeking to recruit a young Chartered Accountant.

He will be responsible for the control of all financial systems, budgets etc., in addition to liaison with HO, Internal and External auditors.

Candidates should be working in a finance oriented environment, and have had exposure to the application of computerised systems to banks. Ideally aged 25-32, they will also possess a good working knowledge of French.

The appointment will be at Manager status with a salary level of £20-25,000 + car + a full banking package.

Application should be made in confidence to:-
THE ROGER PARKER ORGANISATION
65, LONDON WALL, LONDON, EC2 5TU

COMMERCIAL DIRECTOR

Internationally experienced, mature person required answering directly to the divisional Chief Executive to work in well established and expanding substantial private company that is part of a dynamic group. Experience in such areas as international licensing, joint ventures, company formations and with a good sound financial understanding or background. Attractive salary with fringe benefits, including company car, etc., commensurate with the importance of this position. This is a Sheffield based appointment by a group serving the most melting industries worldwide.

Replies with CV in strictest confidence to:
Chief Executive
K.S.R. INTERNATIONAL LIMITED
Sandford House, Beauchief, Sheffield S7 2RA

Investment Analyst UK Equities from £15,000

The BP Pension Fund is seeking an analyst to undertake research as a member of a small team working in close collaboration with the Portfolio Managers, principally on Electrical, Electronic and Telephone Network sectors.

Candidates, ideally in their twenties, should have a degree or professional qualification and of least two years' relevant experience. Earnings negotiable from £15,000 including London Weighting. Excellent benefits include a non-contributory pension scheme and assistance with relocation expenses, where appropriate.

Please write or telephone for an application form, quoting ref. B.244 to:

**Mrs. Jenny Dawson, Personnel Assistant,
Group Head Office Personnel,
The British Petroleum Company p.l.c.,
Britannic House, Moor Lane, London EC2Y 9BU.
Tel: 01-920 8218.**

BP is an equal opportunity employer.

The British Petroleum Company p.l.c.



EUROBOND SALES

CIBC Limited the wholly owned merchant banking subsidiary of Canadian Imperial Bank of Commerce is expanding its Eurobond Sales desk which has created openings at both senior and junior levels.

Successful applicants will be self starters in their twenties or thirties. They will have had some sales experience in eurobonds or related markets for the junior level or 3-4 years of consistent sales achievement for the senior level.

Remuneration package is negotiable and fully competitive with market levels. An excellent benefits package is available.

Replies in confidence to: J.B. Clark,
CIBC Limited, 55 Bishopsgate, London EC2.

DEVELOPMENT CAPITAL

The British Rail Pension Funds require a manager who will expand and develop their activity aimed at the provision of finance for small growth companies. The existing portfolio of unquoted securities is currently valued at £30m and could be increased considerably by further investment.

The appointee will be expected to take a close interest in the progress of the existing companies in the portfolio which covers a wide range of industrial and service activities. An essential requirement is the ability to attract and appraise new propositions and to conduct negotiations on behalf of the Funds.

The ideal candidate will be an energetic self-starter, experienced in industry or with relevant investment expertise. A legal or accountancy qualification would be an advantage.

An attractive salary package will be offered dependent upon qualifications and experience.

Applications in confidence to:

Chief Executive
Pension Trustee Company
50 Liverpool Street
London EC2P 2BQ
Tel: 01-247 7600

Investment Management Trainee

Foreign & Colonial is one of the oldest and best established investment companies in the City of London. With £1,300 million under management the Group manages the portfolios of investment trusts, unit trusts, pension funds, charities and private clients.

Due to our continuing growth, we are now looking for a potential investment manager. We will provide training in all aspects of investment management and the opportunity to become a full member of our investment team.

The successful applicant may just have left university or have spent a further two or three years in relevant employment. The potential rewards are extremely good and remuneration will be in line with current experience.

If you are interested contact Andrew Barker, Foreign & Colonial Management Limited, 1 Laurence Pountney Hill, London, EC4 or telephone 01-623 4680.

**Foreign & Colonial
MANAGEMENT GROUP**

Energy Economics Analysis LONDON

The Central Electricity Generating Board is one of the world's largest electric power utilities with responsibility for planning, building and operating power stations for the bulk supply of electricity.

We are seeking to fill two vacancies within the Fossil Fuel and Energy Section which is involved in the formulation of policy advice on all aspects of the economics of fossil fuel supply and also advises on transport and fuel related matters of longer term commercial and strategic interest to CEBG. The Section is responsible for the preparation of medium and long term forecasts of fossil fuel prices and availability within the UK, from both imported and indigenous sources, as an input into the Board's formal investment plans. The work ranges from the identification and evaluation of long term strategies designed to ensure the Board's continued access to economic sources of fossil fuel to detailed economic assessments.

UK Coal Supply £19,194-£22,003

You will lead a small team engaged in analysis of the UK Coal Industry but may be required to participate in any of the work of the Section. The main duties of the post involve the assessment of the likely levels of production from indigenous coal sources within the UK and the development and use of a cost based model of the UK coal industry to analyse possible changes in the cost competitiveness of the NCB's. You will also be required to forecast coal prices in the UK over the longer term.

You should be educated to degree level, preferably in economics or business studies, and should have a broad understanding of current energy issues, particularly as they affect both the NCB and CEBG.
Ref 178/85/FMD/FT.

World Energy Supply £12,939-£16,711

You will work initially in the World Resources Group whose primary responsibility is the analysis of the potential for the supply of oil, gas and coal from non-UK sources but should be prepared to participate in any of the work of Fossil Fuel and Energy Section.

You should be educated to degree level, preferably in economics, business studies, or a related numerical subject, and should be able to demonstrate a broad grasp of the factors influencing the supply and demand of oil, gas and coal into international markets. Ref 178/85/FMD/FT.

For both posts you must be able to demonstrate an ability to analyse and formulate solutions to complex issues, including the ability to organise and present numerical information, and to express yourself effectively both orally and in writing. Experience in the use of computer modelling techniques for economic analysis applied to problems in the energy supply area would be an advantage.

Please write with full details, including age and current salary if applicable, to Group Personnel Officer, CEBG, Sudbury House, 15 Newgate Street, London EC1A 7AU by August 5, 1985 quoting the appropriate Reference No.

The CEBG is an equal opportunity employer.

CENTRAL ELECTRICITY
GENERATING BOARD
HEADQUARTERS

Assistant Company Secretary c£14,500 p.a. + car

TREBOR is a major confectionery manufacturer and distributor with a growing UK market share. We also make and distribute sweets in many other countries.

An opportunity has arisen for an ASSISTANT COMPANY SECRETARY based at our head office in Woodford Green, Essex, to undertake and assist the Group Secretary. Duties include some statutory work, trademarks, insurance, legal advice and knowledge of pension scheme administration.

The successful candidate, male or female, will be a Chartered

Secretary (law qualification or similar alternative) with experience of most areas gained in a manufacturing/commercial Company Secretary's office. Preferred age 25-40 years.

In addition to the attractive salary and car, benefits include free life assurance, 23 days annual holiday, contributory pension scheme and participation in profit share scheme.

If you would like to receive an application form or learn more about this position, please write to:- Peter Whalley, Group Secretary, Trebor Limited, Trebor House, Woodford Green, Essex

TREBOR

Assistant Group Treasurer

The TI Group is an international organisation comprising over 60 companies with diverse interests in domestic appliances, consumer and specialised engineering products. Group Sales exceed £950m. The post of Assistant Group Treasurer reports to the Director of Corporate Finance at the Headquarters in Birmingham.

The position will cover various aspects of treasury work involving regular contact with banks, operating drawings and repayments under existing credit lines, money market and foreign exchange transactions, assistance in arranging facilities for Group requirements, reviewing financial structures of overseas subsidiaries and advising on cash management.

Candidates, aged 30-35, with a degree and/or accounting qualification, should have had previous experience in the treasury function in an industrial or commercial environment. The ability to relate effectively with external organisations and the potential to assume significant responsibilities are key requirements. The salary will be competitive and the benefit package will include the provision of a car. Assistance with relocation will be given, where appropriate.



To apply, send brief but comprehensive C.V. including current salary to: T. G. Hicks, Personnel Manager, TI Central Organisation, TI House, Five Ways, Birmingham, B16 8SQ.

INSTITUTIONAL SALES EXECUTIVE

A long established firm of regional Stockbrokers seeks to appoint an additional Institutional Sales Executive for the capital goods sector.

Applicants should be servicing U.K. institutions on a full time basis, or be analysts with regular institutional contacts or have relevant fund management experience. Consideration will also be given to persons without specific experience of the securities markets whose career in industry has demonstrated exceptional sales ability.

There are excellent career prospects to full partnership or profit sharing if preferred, together with a generous remuneration package which reflects the importance of the appointment.

Apply to: Marlar International Ltd., City Office, 12 Well Court, London EC4M 9DN, or telephone 01-249 9614.

MERCHANT BANKING

FRENCH SPEAKING SENIOR MARKETING EXECUTIVE

CAPITAL MARKET PRODUCTS 30/40

Negotiable but high

Prestigious US merchant bank seeks senior marketing executive with 4/5 years experience of marketing capital market products. Likely candidate will have Economics or Science degree, be fluent in French and highly motivated.

Please contact Elizabeth Hayford, LJC Banking Appointments 377 8600.

ACCOUNT MANAGER

£30,000

Major Merchant Bank requires a Senior Landing Executive to manage their UK Marketing team. Experience of marketing the full range of banking products at senior level is essential, together with the ability to motivate junior executives. You should be between 30 and 40 with a proven track record in international Corporate Banking. Benefits are commensurate with a position of this seniority.

ACCOUNT OFFICER

£20,000

Due to their continued expansion this well known North American Bank requires a graduate banker with previous 3 years Corporate Marketing experience. You will be part of their UK team and concentrate on developing their multinational business. Formal American Bank training is preferable.

For further details of these and our other current vacancies please contact Mike Stundell Jones on 01-238 1113

PORTMAN RECRUITMENT SERVICES



De Zoete and Bevan plans to expand its research team covering the oil sector. We are looking for a high calibre individual who will have experience in planning or finance gained within the oil industry, the accountancy profession or the city. Candidates should write in confidence, including their cv, to:

A. P. THOMPSON ESQ. FCA,
DE ZOETE AND BEVAN
25 Finsbury Circus
London EC2M 7EE

GE

GZ

GILTS

Gilbert Elliott & Co. in association with Girozentrale Vienna intend to remain agents in the new Gilt-Edged market.

We will provide a full institutional service integrated with the Bond and Fixed-Interest markets.

We wish to add to our team, and those interested in joining a well capitalised firm, please contact, in confidence:-

Roger Lucas,
Gilbert Elliott & Co.,
381, Salisbury House,
London Wall, EC2M 5SB

Mergers and Acquisitions US Investment Bank

Career opportunity for young graduate or person with some banking experience to join our M & A Department. Candidates, preferably aged 22-28, should be self-motivated, literate and numerate. Salary and benefits will be commensurate with age and experience.

Candidates should apply with full Curriculum Vitae to:
Box A9066, Financial Times, Bracken House
10 Cannon Street, London EC4P 4BY

CITY

A VACANCY HAS ARISEN FOR TWO TRAINEE BROKERS

The successful applicants will be aged 23+ and of smart appearance. No previous experience necessary as full training will be given. For a confidential interview ring Sue Stephens on 01-285 7939.

TERMINAL OPERATOR

FÜR 8-12 WOCHEN GESUCHT
AUFGABE: ÜBERTRAGUNG VON ETWA 1.000 DRUCK-SEITEN ENGLISCH-SPRACHIGER WIRTSCHAFTSTEXTE, DIE IN DEUTSCHER KURZSCHRIFT STUFE III (REDE-UND DEBATTSCHRIFT) VORLIEGEN, AUF IBM-DISCS.
Write Box A9072, Financial Times
10 Cannon Street, London EC4P 4BY

LEISURE INDUSTRY

With international name, situated in pleasant rural area of Southern England, requires an Executive, with investment, good prospects in a lively and interesting area of the sporting industry. Please write in first instance, in confidence, to: Jordan Brothers & Co. Accountants, 10 Osborne Road South, Putney, London SW15.

For a confidential interview, please write to: 10 Cannon Street, London EC4P 4BY.

VIVIAN GRAY & CO

REQUIRE JUNIOR GENERAL DEALER

Salary according to age and experience. Please write with details of career to the Managing Director, Vivian Gray & Co. Ltd, 10/11 Dominion Street, London EC2M 2UX.

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Appointments Wanted

FINANCIAL/OPERATIONS CONSULTANT

Available for assignment from August 1st. Proven experience Business Planning / Systems / O&M / Operational Audit / Investment / Project Evaluation & Implementation. Specialist in support and/or setting up UK, EEC, USA, Overseas Client / European. Age 40 with wide experience in CFO International Cos. and Freelance.

MURRAY-HILL ASSOC., Box A9078, Financial Times
10 Cannon Street, London EC4P 4BY or
Call today between 9 am and 7 pm: 01-602 3789

NON-EXECUTIVE CHAIRMAN

Former "blue chip" marketing/management director now chairman or director of several small/medium companies seeks further part-time (1-2) up to five days a month available. Top level experience in building products, DIV, furniture, clothing, electronics.
Write Box A9022, Financial Times
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BRITISH NATIONAL A.I.E.

Extensive experience overseas with international banks, trade finance, credit, particularly documentary credits, strong management training and international skills bank management position with city banking institution, salary negotiable.
Write Box A9049, Financial Times
10 Cannon St. London EC4P 4BY

مكتبة

Accountancy Appointments

Financial Controller

Consulting Engineers

North West London

To £20,000 + Bonus + Car



Arthur Young Executive Selection
A MEMBER OF ARTHUR YOUNG INTERNATIONAL

This international company provides a range of highly specialised services to major companies in the energy sector. Together with its U.S. associate company, the organisation employs around 750 people and has a current turnover of over \$50m, which firmly establishes the group as a leader in the industry.

The position of Financial Controller reports to the UK Managing Director and will have full responsibility for all financial and administrative affairs. Key responsibilities will include the provision of accurate financial information to senior management, a major role in the planning/budgeting process and the development of

computerised costing systems.

Candidates should be qualified accountants aged in their late 20's or 30's. Ideally you will have worked in a service industry and be familiar with international reporting systems. You will also possess the energy, drive and communication skills necessary to make a valuable contribution in this demanding and highly competitive environment.

Please reply in confidence, giving concise personal and career details, quoting Ref. EY794 to Martin Lawless, Executive Selection, Arthur Young Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.

Financial Controller

London

£25,000 + car

For the recently formed division of a major public group, which has turnover in excess of £1000 million and is committed to growth both organically and by acquisition. This venture is in a new but potentially highly profitable sector of the entertainment industry.

Reporting to the Managing Director you will be responsible for administration and all aspects of financial planning, reporting and control. You will work closely with legal and tax advisors and you will be expected to make a substantial contribution to the profitable development of the business.

Ideally you will have qualified as an accountant with a major international practice, and have subsequently acquired good quality experience in industry or commerce. For a man or woman with ability, imagination and commercial flair the career prospects are excellent. Preferred age: early 30s.

Please telephone or write to John Cameron, quoting ref. C417 at 10 Bolt Court, London EC4A 3DB (01-583 3911).

Chetwynd Streets

Management Selection Limited

ACCOUNTANCY APPOINTMENTS APPEAR EVERY THURSDAY

Rate £37.00

per single column centimetre

Plus V.A.T.

For Further Details Ring
Louise Hunter
on
01-248 4864

Financial Controller (Director Designate)

Over 30

c£30,000 + car

Immediate responsibility is to be for all aspects of finance and administration in a small (£10M turnover) import and export business. There are plans for considerable growth. Location, Central London.

The new man or woman is expected to give wise and realistic advice to a dynamic Board of Directors. The first assignment will be to improve the present production of quarterly figures so that the computerised management information system produces prompt monthly details of cash flow and accounts. Forward planning, budgetary control and judging international financial risks are as important as managing people effectively.

Liaison with bankers and treasury management will be normal.

This is a new and demanding appointment for an experienced qualified accountant, aged around 35, who seeks to join a profitable and expanding company. Chartered Accountants with a good degree and commercial experience may have an advantage. A successful candidate who proves to have all round ability should expect a Board appointment by 1986 depending upon performance. The remuneration package is flexible enough to attract outstanding candidates and includes a suitable car.

Please write in confidence, or telephone for an application form on 01-439 6083 to R N Orr, quoting reference M2301.

Roland Orr & Partners

Management Consultants

35 Piccadilly, London W1V 9PB Telephone 01-734 7282

Financial Accountant

c.£17,000 + Car

Wiltshire

A growth phenomenon of the '70s'... accelerating through the '80s'

After a decade of unprecedented growth, my client is now firmly established in the front rank of the UK Life Assurance and Financial Services Industry - a position maintained through continued investment of energy and innovative ideas.

Due to restructuring, an excellent opportunity has arisen for a young qualified accountant to enhance his/her career further within their Finance Department.

Working closely with senior management, your brief will be to assist in the complex technical accounting and taxation requirements of the company. Duties are varied but an important part of the job will be to assume responsibility for a significant part of the company's accounting records. This will entail liaison with other departments within the organisation.

Aged 25-30, newly or recently qualified and preferably a graduate, you may still be working in the profession. Experience in commerce or the financial services sector is not essential, but a high level of technical competence and initiative combined with personal flair and imagination are.

In addition to an attractive salary, company car and full relocation expenses, you will be working within an organisation firmly committed to internal promotion and personal career growth.

To apply, please send a brief CV to Carrie Andrews ACA at Macmillan Davies, Centre Point, New Oxford Street, London WC1A 1AT, or telephone her on 01-240 6781.

Macmillan Davies



Chief Accountant Physical Security Products

Up to £17,500 + bonus

Hertfordshire

This group of companies has an outstanding reputation for the quality of physical security products which it has been manufacturing at home and abroad for nearly two hundred years. Half of the turnover, in excess of £20m, is from overseas and some seven hundred people are employed. The group has been rationalised under new management and is now moving forward in terms of profitability and new product development.

The Chief Accountant will deputise for the Finance Director and have an opportunity to contribute to overall financial strategy. The initial task will be to improve costing and management information using a sophisticated computer system.

Candidates, probably around thirty, should be professionally qualified and have worked for at least three or four years in manufacturing industry and with computer systems. Some experience of overseas subsidiaries would be an advantage.

Salary negotiable as indicated. There will be some overseas travel. Prospects of a directorship within a short time. Relocation assistance if necessary.

Please write - in confidence - stating how the requirements are met to David Bennell ref. B.43795.

This appointment is open to men and women.

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MANAGEMENT SELECTION

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Circa £15,000

An expanding Lloyd's Agent seeks accountant to take charge of the accounts and returns for a number of syndicates.

The successful candidate will also be able to deputise for the departmental manager and the post provides an opportunity to participate in the developing Lloyd's Market.

We seek an accountant experienced in Lloyd's practices or a newly qualified accountant with extensive exposure to the audit of Lloyd's syndicates.

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Applications with a comprehensive C.V. should be made under Private and Confidential cover quoting the reference FT/SA on the envelope to:

C. J. P. WHITS F.C.A.

Accounts Manager

POSGATE & DENBY (AGENCIES) LTD.
153 Finchchurch Street, London EC3M 6BE

Accountant

Circa £18,000 + car

Our client, an American owned, U.K. Insurance Company, require a Professionally Qualified Accountant to join their Surrey based Financial Accounting Division.

The Division's major responsibility is the Financial Control of the Group U.K. Insurance Company and its Underwriting Agencies. Additional responsibilities include the U.K. Subsidiaries of two Japanese Insurance Companies.

Reporting to the Company's Group Chief Accountant, the successful candidate will become a key member of the Management Team, and be expected to provide a significant contribution in terms of Corporate Development, Financial Appraisal and Computer Systems.

The position offers the scope and opportunity to secure a challenging and rewarding career with a company committed to expansion. Suitable applicants are likely to be aged around 30 and preferably possess an Insurance

background, although the more essential components are ambition and a desire for total efficiency.

An attractive Fringe Benefits Package is offered which includes a Contributory Pension Scheme, Free Medical Expenses, Permanent Health and Life Assurance Schemes.

Applicants should write with full personal and career details to D. Cawson, Director, Ref. ACA 8111, Austin Knight Advertising U.K. Limited, Nelson House, 23-27 Moulsham Street, Chelmsford, Essex, CM2 0XG.

Applications are forwarded to the client concerned therefore companies in which you are not interested should be listed in a covering letter.

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Francis Phillips on 01-248 4782 or write to him at The Financial Times 10 Cannon St. London EC4A 4BY

Tax and the Young Accountant Major Industrial Group

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c£15,500

Here is a unique opportunity for a recently qualified Accountant to be trained in all aspects of corporate taxation within the UK headquarters of a multinational manufacturing and marketing operation of the highest repute.

You will join the Group Tax Department as an Assistant Manager and will initially be part of a team responsible for computing and minimising the UK tax liability as well as providing guidance and advice to

Corporate and Divisional management. Future career development potential within the tax or finance departments is excellent and will depend on your aptitude and ability.

Probably in your twenties, you should have gained some exposure to company taxation in either the profession or industry and be keen to widen your horizons within this field.

To apply, please telephone or write to Brian Burgess quoting Ref. BB 9776.

Lloyd Chapman Associates

International Search and Selection
160 New Bond Street, London W1Y 0HR
Telephone: 01-408 1670

Accountancy Appointments

Internal Audit Manager

To set up and run your own department

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Reporting to the Director of Accounting Services, you will be responsible for setting up an Internal Audit activity which will regularly review financial systems and management controls as a basis for service to Senior Management.

The level of responsibility calls for someone who can lead, analyse and adapt, who can implement change and programme work efficiently. We're looking for a Chartered Accountant, aged 28-35, with audit management experience and preferably someone who has worked in a large commercial environment with some knowledge of computer auditing and staff management. Report writing skills are also essential.

This position offers enormous potential for someone of your calibre to excel. The employment package of c. £18,000+car and other extremely attractive benefits simply underline the point. You'll appreciate the challenge will be worth it—please telephone today for an application form on 01-231 1157.



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FINANCIAL DIRECTOR DESIGNATE

London/Essex Borders £20-25k Package

Our clients are a profitable, fast-expanding food trading company operating world-wide in major food markets and are seeking a unique individual to join their team at board level.

The applicant will be a qualified Accountant aged 27-35 who will initially be responsible for heading the computerized accounting team, providing and improving the financial information.

Following a period of review and consolidation our clients are planning further expansion by diversifying into other food-related sectors. The right individual will display the ability to direct the company's future by giving advice, guidance and specific recommendations for acquisitions.

Ultimately the company's medium-term plans are to become a publicly listed corporation and previous experience in these areas would be beneficial. Please write, with full CV, to Mr G. A. THOMPSON at the address below quoting Ref: GL/LM on the envelope.

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Candidates, probably in their late twenties or early thirties, must be chartered accountants, ideally now working in a professional firm or a service business. Desirable is experience in all parts of the financial function: essential is up-to-date computer and systems knowledge. There is ample scope for further development.

Terms include a performance related bonus and BUPA.

Please write—in confidence—with full details to Brian Woodrow ref. B.73297.

This appointment is open to men and women.

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MANAGEMENT SELECTION

Finance Director (Designate) Financial Services Neg £20-25K+Car

Our client provides a elite management service to individual clients. The business has enjoyed substantial growth since its inception, and specific plans are underway for a major expansion in the near future.

The technically-biased entrepreneurial principals are presently building a team of professionals to manage further development. A key appointment will be that of Finance Director (Designate) who will create and maintain the necessary financial systems to ensure that the company will meet its growth potential.

The ideal candidate will be a chartered accountant, aged late 20's to mid 30's. This individual will have had direct financial management experience and involvement with the production and use of computer based accounting systems. Equally important will be the possession of financial expertise and familiarity with the City environment necessary to handle the group's cash management needs.

The appointee will be creative, assertive, resourceful, flexible and possess a lively temperament to be successful in this demanding entrepreneurial environment. There will be substantial opportunity for growth and personal development as the business surges ahead.

Please write in confidence to Aro E. Bourne, quoting reference (71), Spicer and Pegler Associates, Executive Selection, Friary Court, London EC3N 2NP.



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Management Services

Windsor

£18,000

Creative Accounting

high profile commercial exposure

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You will work closely with senior management of all disciplines and success will lead to financial management opportunities at group or subsidiary level. Assistance will be given to relocate, if necessary, to this most attractive area which is within easy daily travelling distance from London.

Please write in confidence with detailed CV or telephone David Tod BSc FCA, on 01-405 3499 quoting ref: D/262/PF

Lloyd Management

125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

Financial Controller

Service Industry—London

£30,000

Our client is a household name and the major UK Group in a significant sector of service industry. The new post arises in an important subsidiary following recent restructuring and a change in commercial approach which now necessitates a strengthening in financial management.

The Financial Controller will report to the Chief Executive and, as a key member of the executive team, will be expected to make a full and innovative contribution to the overall management of the business. He or she will control a large department covering three sections—financial and management accounting, project finance, and systems development. The two key tasks will be the development and introduction of new control systems both across the financial function and for the numerous operating units, and the monitoring of financial and business performance.

Candidates should be qualified accountants, preferably in their thirties, with experience of the development and introduction of financial control systems ideally in

a profit sensitive, multi-outlet operation. They must have a practical, commercial approach and the interpersonal skills demanded in change situations which may have been acquired either in a professional consultancy or in a relevant line role in a major organisation.

This is an unusual and demanding opportunity, and the appointment will be initially on a self employed basis. Success in the role could lead to a permanent senior appointment in finance or general management, either in a subsidiary or the parent Group.

Remuneration will include a basic fee of £30,000 per annum, and significant benefits related to our client's business as well as the normal advantages offered by a major Group. The post will be based in the West End of London.

Please write in complete confidence, enclosing a full curriculum vitae, quoting reference 1020, to Mike Hann, Director, Bull Thompson and Associates Limited, 63 St. Martin's Lane, London WC2N 4JX, who is advising on this appointment.

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Following major reorganisation, we now seek to recruit an energetic and versatile qualified accountant to head up our finance function. We are a well established company—a market leader in the forwarding of bulk liquids on a world-wide scale.

Responsibility will be to the Managing Director for all financial and secretarial matters, with particular emphasis on computerisation of the accounting systems, strengthening financial controls and enhancing management information systems.

The business is conducted world-wide and foreign travel will be necessary as more commercial involvement develops.

Candidates should have at least two years commercial experience, preferably in the forwarding/distribution field. Experience of introducing computerisation is also necessary.

Applications will be forwarded direct to our client. Please send a comprehensive career résumé, including salary history and day-time telephone number, and indicating any companies to whom you do not wish to apply, quoting ref: 2302 to W.L. Tait, Executive Selection Division.

Touche Ross

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111 House 1 Little New Street London EC4A 3TR Tel: 01-353 8011

A unique invitation from Price Waterhouse & Clients

If you are a recently qualified Chartered Accountant or a PE2 finalist awaiting results, you are invited to attend a

CAREERS OPEN EVENING

To be held on Thursday 25th July, in our London Office, this is an opportunity for you to meet, over drinks and light refreshments:

- PW staff to discuss careers in audit and investigations, tax, insolvency and management consultancy throughout the UK and overseas.
- PW clients seeking to recruit into Corporate Finance, Internal Audit, Line Accounting, Management Services and Project Accounting.

Our clients operate in every area of industry and commerce. Amongst those attending the evening will be:

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To find out more about this evening please contact:

Mike Jennings,
Price Waterhouse,
Southwark Towers,
32 London Bridge Street,
London SE1 9SY
Telephone: 01-407 8989



Please send me an invitation for the Careers Open Evening on July 25th 1985.

To: Mike Jennings, NAME _____
Price Waterhouse, ADDRESS _____
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32 London Bridge Street, _____
London SE1 9SY _____

FINANCIAL CONTROLLER

£17,000 + car

International company, in South London seek young Chartered Accountant with a strong personality to join their busy operation. The successful applicant must be under 35, able to demonstrate good technical skills and have a proven record of systems development.

For further details, phone or write, quoting Ref AT/388, 102



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Accountancy Appointments

Financial Controller

Design Engineering

Essex

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The company is well-established and highly profitable, providing design engineering services to the motor industry. With a USM listing last year, current turnover now exceeds £20 million. To support continued expansion of its worldwide interests, additional financial expertise is required.

This new appointment will report to the Director of Finance. The Controller's initial role will be the further development of accounting and management information systems, together with responsibility for group financial reporting.

The need is for an energetic Chartered Accountant, aged 28-40, with experience of systems development in a dynamic environment. A determined personality

is essential, as is the ability to communicate fluently at all levels.

Applications, which will be treated in strict confidence, should contain relevant details of career and salary progression, age, education and qualifications.

Please write to Paul Frampton quoting reference 1499/ET on both envelope and letter.

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Management Consultancy Division
128 Queen Victoria Street, London EC4P 4JX

Accountant

... interested in travel
to work on international projects

£17,500 to £20,000 plus bonus

East Midlands based

Our client is a major industrial organisation with extensive overseas interests.

A highly professional accountant, with a real enthusiasm for international travel – often at short notice – is required to carry out a wide variety of projects in overseas companies in any part of the world. Visits and projects could last a few days or several months. The need is to be able to make a fast and effective contribution, and may sometimes involve deputising for the local Chief Finance Executive of an overseas company. The role is demanding but rewarding.

You must have at least 5 years' post qualification experience. This should have included working in industrial/manufacturing or commercial environments and involvement with overseas companies. Exposure to computer systems is essential.

The excellent employment package includes generous assistance with relocation costs where appropriate.

Please write – in confidence – stating how you meet our client's requirements to Richard Crosby ref. B.25068.

This appointment is open to men and women.
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Offices in Europe, the Americas, Africa, Australasia and Asia Pacific.

HAY-MSL
MANAGEMENT SELECTION

Management Accountant

Stewart Wrightson, employing 2,600 people, is one of the world's largest International Insurance Broking groups. Its principal activities embrace both insurance and reinsurance broking, placing business at Lloyd's in the London company market and in insurance markets throughout the world.

The Management Accounts Department, at Kingston-upon-Thames, produces the management and legal accounts for all the UK Broking subsidiaries. We are seeking to strengthen the accounting team by the appointment of an accountant whose responsibilities will be to implement a new management accounting system and ensure control of the production of management and legal accounts of a major group of subsidiaries. The Department already has access to main frame and personal computing facilities.

The successful applicant will:

1. Possess formal accountancy qualifications and preferably a degree.
2. Have a successful track record involving systems implementation and management accounting reporting.

In return we are offering an initial salary in the region of £16,000, a non-contributory pension scheme, employee share scheme and other benefits. This position offers real opportunities for progression within the Stewart Wrightson Group.

Please write to:
M C Harrison, Administration Director
Stewart Wrightson UK Group Ltd, Kingston Bridge House
Church Grove, Kingston upon Thames, Surrey KT1 4AG
Tel: 01-977 8888 Ext 3173



**Stewart
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International Insurance Brokers

INTERNAL AUDITOR

North West London

to £16,000 + car

Our client, a market leader in heavily branded FMCG (turnover £130m) and part of a major UK group, has created a new position for a qualified young audit professional.

A programme of systems review rationalisation and implementation has been identified as an important step in assisting the company in further expansion.

This exciting opportunity will therefore involve the review of current systems and the recommendation and implementation of necessary improvements. Key personal qualities include self-motivation, tenacity and the ability to work for long periods without close supervision.

Since the appointment occurs at the centre of a successful large group, the long-term prospects for career development are self-evident.

Benefits will include a company car, pension scheme, subsidised restaurants, company product discounts and relocation assistance as appropriate.

For further details of this career opportunity please contact Russell White, quoting ref: LG1279

Management Personnel

Recruitment Selection & Search



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in London

requires following personnel

1. CHIEF ACCOUNTANT: ACCA/ACA/ACMA with minimum 7 years experience. Starting salary £15,000-£17,000 p.a. plus car.
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3. ACCOUNTANT: Part qualified, with minimum 5 years experience. Starting salary £8,000-£10,000 p.a.
4. ASST. EXPORT DOCUMENTATION MANAGER: 5-7 years experience in international trading, shipping, trade financing or banking. Starting salary £7,000-£9,000 p.a.

Write Box A9074, Financial Times, 10 Cannon Street, London EC4P 4BY.

Financial Controller

A fast-expanding design group based in Covent Garden require an experienced financial controller/accountant. A working knowledge of computerised accounting systems would be an advantage as would an ability to develop accounting and reporting systems. The applicant must be self-motivated and will report directly to a director.

Please send your c.v., together with details of current remuneration, to:

Box A9077, Financial Times
10 Cannon Street, London EC4P 4BY

Senior Auditors/ Controls Consultants

£15-25,000 + car + benefits

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The Department has a successful track record of secondments to management positions throughout the Allied Dunbar Group. These moves, together with the growth of the Department, have resulted in a need for more people at a variety of levels.

These are excellent opportunities for career advancement for graduate accountants aged 27 to 35 with a minimum of two years' post qualification experience in a commercial environment for people with Systems Consultancy experience. And, since this is a fast-expanding area offering plenty of variety, you'll be able to broaden your professional horizons and take on new challenges as and when you're ready for them.

Positions at all these levels carry an attractive salary, company car and a full range of benefits which include non-contributory pension, free life assurance, first class sports and social facilities, a subsidised staff restaurant and generous help with relocation to this attractive part of the country.

Please write for further details and an application form to
Christine Clarke, Allied Dunbar Assurance plc, Allied Dunbar Centre,
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(0793) 27812 (24 hour answerphone).

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Much of our success can be attributed to the high calibre of people we employ and the opportunities that we give them to excel. Join us in either of the following posts, both of which are vacant as a result of career moves.

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We'll have identified your potential from your past record, but your next achievements will show us how far you can go. We'll look to you and your audit team in conduct operational audit throughout our European businesses, including acquisitions and to provide quality advice and recommendations to senior management. Specialist training will assist your career development.

A graduate ACA from a professional accountancy firm, you must already have experience in leading a team of Auditors. Time spent working overseas and a knowledge of at least one European

language, preferably French or German, would be extremely useful.

EUROPEAN ACCOUNTANT

This is an excellent chance for a recently qualified Accountant, probably from a large professional firm, to begin a career in industry. You will be responsible for co-ordinating the production of the European accounts that are presented to our parent company in the United States. You will also be required to prepare and present reports to Senior European Management.

You must be able to express yourself clearly and persuasively in speech and writing, and, as you will have frequent contact with our companies on the Continent, knowledge of a European language would be an advantage.

Salaries for these positions are very attractive and the career prospects are exceptionally good.

If you would like to be invited for interview, please write enclosing your c.v. to: Jeremy Addison, Air Products Ltd, Hertham Place, Molesey Road, Wallington, Surrey SM22 4RZ.

**AIR
PRODUCTS**

Finance Director (Designate)

City £30,000+

Our client is a small but rapidly expanding quoted company, producing a complete range of marketing and advisory services for an international range of clients. Its growth now necessitates the appointment of an individual to assume the role of Finance Director within a short timescale.

The role will involve providing, at both parent and subsidiary company level, a complete financial service. An immediate priority will be the improvement of management information and financial control systems.

Candidates, male or female, will be qualified accountants, preferably in their

early thirties, ideally with a background in an advertising agency or similar environment. The position is a superb opportunity for an outstanding young financial executive to become Finance Director of a public limited company.

The comprehensive remuneration package will include a basic salary of £30,000 plus share options, bonus, car, etc.

Please reply confidentially with a comprehensive c.v. to David C. Thompson, Managing Director, Bull Thompson and Associates Limited, Alliance House, 63 St. Martin's Lane, London WC2N 4JX, who is advising on this appointment, quoting reference 1023.

**Bull
Thompson**

1 CORPORATE AND RECRUITMENT CONSULTANTS

Financial Controller

Computer software – shipping

London

from £20,000 + benefits

Our client is a recently established UK company whose activities incorporate ship chartering and broking services and, ultimately, will lead to the development of specialist software packages in connection with a leading European computer manufacturer.

A controller is required for this operation, who will report to the chairman. Substantial expansion is anticipated which will give rise to opportunities for financial directorship.

Applicants must be chartered accountants, ideally aged 28 to 35, who have some experience since qualifying in financial services, shipping or software development organisations. The person must be able to manage the introduction of computerised accounting systems and must have experience of international currency transactions. A commitment to growth with this company is essential. The long term awards will be substantial.

Please address brief personal and career details to Douglas G Micon quoting reference F1745/IM at Ernst & Whinney Management Consultants, Becker House, 1 Lambeth Palace Road, London SE1 7EU.

Ernst & Whinney

مكتبة من المجلات

Accountancy Appointments

FINANCE DIRECTOR

Circa £20,000 plus car

Cheshire

A major subsidiary of an expanding public company engaged in the production of woven industrial and tie fabrics, wishes to appoint a dynamic and commercially orientated Finance Director, who has the skills and personality to be eventually considered for the role of Managing Director after an introductory period.

The successful applicant will be responsible for all financial and management reporting activities and will be expected to contribute significantly to the commercial management of the business. Experience in computerised systems would be an advantage as the applicant will be closely involved in the development of the existing accounting and management information systems.

Candidates aged over 30, should be qualified accountants who have a track record of proven technical expertise and managerial abilities.

An attractive salary and benefit package is offered, relocation expenses, if appropriate, will be negotiable.

Please write with full details to:

Mr. R. M. Green, F.C.A., Financial Director

Bodycote International plc, 104 Stamford Street, Manchester M16 9LR



PRUDENTIAL CORPORATION

Central Finance

London • c£20,000 + benefits

Our client needs no introduction - one of the largest and most influential groups, its substantial businesses range right across the financial services spectrum, many of them the market leaders in their specific fields. Following recent major reorganisations it seeks a high calibre accountant, probably aged late 20s, with proven post qualification experience gained either in the Profession or Commerce. Working closely with the Group Accountant in the small central finance team, the emphasis will be on monitoring and reporting the quantum and disposition of shareholders funds together with preparation and review of group results, budgets and plans. There will also be numerous ad hoc financial exercises.

The scale and diversity of business and the group's future plans make this one of the best career opportunities available for ambitious young accountants. It will provide challenge and experience on a scale not readily available elsewhere and will be invaluable for anticipated progression into financial or general management. The highly competitive remuneration package includes a non contributory pension and subsidised mortgage.

Please write in confidence with detailed CV or telephone

David Tod BSc FCA on 01-405 3499 quoting ref: D/267/PF

Lloyd Management

125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

BE YOUR OWN MAN/WOMAN

Qualified CA or ACCA urgently required for a rapidly expanding Sole Practice based in Canterbury, Kent.

The successful applicant must have recent experience of working in a professional office, large or small.

A recently qualified person would be as welcome as someone with many years' experience. What we're looking for is a highly positive, forward looking, client orientated approach.

We can offer an enticing future with very definite full partnership prospects sooner, faster and better than the giant megablocks. We have a very sophisticated and very demanding client base, and are deeply involved in the international scene.

This is a first-rate opportunity for the man or woman who yearns for the chance to command an enviable position in the profession rather than being a mere cog in a vast, impersonal organisation. Initially, the financial package might be only a little better than what you're getting now but within twelve months you'll have left your peers behind and within five years they'll envy you. If you'd rather be a big fish in a smaller pond and enjoy the freedom and respect of a senior partner, you should contact us now. Mere employees ought not to apply.

GULF TECHNICAL CONSULTANTS LTD.

20 Watling Street, Canterbury, KENT CT1 2UA

Local Government Finance

London or Birmingham

£ Negotiable

Our client, a major international firm of Chartered Accountants, has established a major presence in the fields of financial services, audit and consultancy to local authorities and other public sector clients. In order to maintain and enhance their leading position, they are now seeking to recruit an additional Public Finance executive.

Aged 28-35, the successful candidate will have worked in local authority finance, preferably at Assistant Director level, will have a relevant professional qualification and will be seeking to gain a greater variety of experience outside the

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Interested candidates should write in the first instance to Adrian Barrett at Michael Page Partnership, 31 Southampton Row, London WC1B 5HY or telephone him on 01-405 0442 (01-263 9165 outside office hours).



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These positions report to the Assistant General Manager — Credit. The candidates should be MBA holders and have at least ten years banking experience two of which in Middle East Markets. They should also demonstrate solid credit skills and be fluent in English. Candidates with fluency in Arabic will be given preference.

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Experience should include negotiating Company/Group facilities with banks on an international scale, and advising on mergers and acquisitions. The ability to operate in an international environment and to communicate with individuals of many nationalities at all levels is essential. Excellent opportunities exist for career advancement within a large and successful group. A salary and conditions in accordance with the best international practice are negotiable.

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Applications with detailed curriculum vitae will be treated in the strictest confidence and should be sent to HAVAS-CONTACT, Reference 78933 FT, 1, place du Palais-Royal, 75001 PARIS (France) who will transmit.

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Philips warns U.S. microchip slump will hit earnings

BY LAURA RAUN IN AMSTERDAM

PHILIPS, the Dutch electronics group, warned yesterday that its second-quarter earnings would fall "appreciably" below the \$1.26bn (\$64m) earned in the corresponding period a year earlier, mainly because of a downturn at Signetics, its U.S. chip maker.

Whether profit for the whole of 1985 will now climb above last year's \$1.1bn, as Philips previously forecast, depends on U.S. economic performance in the second half of the year, the company said. Volume sales are still expected to grow by 7 per cent this year, the Eindhoven-based concern added.

Signetics, which is one of the 10 largest integrated circuit makers in the world, is suffering part of a sharp industrial downturn that has depressed prices amid over-capacity and inventory destocking on the part of buyers. Growing imports of integrated circuits into the U.S. because of the weak dollar has also intensified pressure on Signetics, which specialises in chips for professional applications.

Signetics' eroding profits also dragged down its parent's net income in the first quarter, when Philips reported an 8 per cent lower profit of \$1.26bn. In March the California-based subsidiary announced employee layoffs followed by a management shake-up.

Philips said the "gratifying improvement" in second-quarter earnings for the rest of the company would be insufficient to offset the income decline of U.S. Philips.

Akzo acquires Litton biotechnology group

BY OUR AMSTERDAM CORRESPONDENT

AKZO, the Dutch chemicals and fibres manufacturer, has purchased a group of biotechnology activities belonging to Litton Industries of the U.S. for around \$1.5bn (\$64m). It is Akzo's second largest acquisition, following its purchase of a pharmaceuticals group in March.

Akzo has been searching intensively for more than a year for an acquisition that would supplement its U.S. operations in pharmaceuticals, coatings or special chemicals. At the beginning of July the Dutch concern bought Warner Lambert's diagnostics division for a cash amount understood to be between \$1.4bn and \$1.5bn.

The takeover does not necessarily signal the end of Akzo's hunt for high value-added activities that will lessen its vulnerability to its cyclical fibres operations. The company set out with around \$1.1bn in liquid assets available for acquisitions and has about half of that left.

Organon Teknika, a subsidiary of

Trust, the 58 per cent owner of North America Philips, and whose beneficiaries are Philips shareholders. Mr. C. Brunes, president of North America Philips, has also cautioned that second-quarter net income will decline significantly below the year-earlier record \$33.4m and that full-year earnings will slip somewhat below the previous \$130.5m.

Philips will release its half-year results on August 14. Yesterday's news further depressed Philips' share price to \$145.8, near its annual low of \$141.70 and down from a high of \$153.70.

North American Philips' net earnings for the second quarter have fallen steeply to \$13.7m from \$33.3m a year earlier, depressing profits for the half year to \$41.4m, a decline of 26 per cent on the comparable 1984 six months.

The company, which accounts for about 30 per cent of group sales, has been hit by severe competition in consumer electronics and adverse conditions in components. Sales for the second quarter were unchanged at \$1.02bn.

In a related development, Philips has slashed the price of its sluggish selling V2000 video cassette recorder by 20 to 25 per cent in a possible precursor to the long-expected demise of the distant competitor to the VHS format. Philips halted production of the V2000 last September and has been selling from inventory since that time.

Italian electronics group expects setback

BY ALAN FRIEDMAN IN MILAN

SGS, Italy's leading microelectronics company, did little better than break even for the first six months of this year, recording a tiny \$170m (\$200,000) net profit.

Hit by the crisis in the world microchip market, SGS is expected to be in loss during July, August and September. Its only hopes of avoiding a full-year loss lie in the prospects for a recovery in the closing months of this year.

SGS saw its six-month sales (to June 30) drop by 1 per cent, to \$1.62bn. Sr Pasquale Pistorio, SGS chairman and the man who has been turning the company around in recent years, still reckons this is

a reasonable performance in the light of the average drop of 10 per cent in sales on the world market.

SGS, which spoke of "extremely difficult market conditions" and growing competition from Japan, is planning a three-week shutdown of manufacturing in August. The company is hoping to avoid long-term layoffs, but could be forced to suspend temporarily up to 2,000 of its 4,800 workers in Italy.

After breaking even in 1983, SGS last year made its first profit in a decade, of \$10m on sales of \$335m. The company is owned by the IRI-Siet holding group.

SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

William Hall and Paul Taylor look at the plight of the second biggest U.S. bank

BankAmerica's bombshell rocks Wall St

THE 1985 second quarter had proved a bonanza for most big U.S. banks until yesterday's startling news from BankAmerica Corporation, the nation's second biggest banking group.

Six weeks ago Mr Sam Amacost, BankAmerica's embattled chief executive, had already upset his followers by warning that the group would do no more than break even in the second quarter. But yesterday he announced a bombshell.

BankAmerica posted a \$358m loss after making a \$392m loss-provision - adding \$27m to reserves and using the balance to write off part of their troubled loan portfolio which despite the latest action remains, at \$3.5bn, far and away the highest of any major U.S. bank.

Not only is the size of the loss unenvying, but it represents the latest major setback for a group which has kept on promising that the worst is over. After recent losses on mortgage-backed securities, persistent poor earnings and serious credit problems, the ability of the current management to solve the bank's obviously serious underlying problems - made worse by its 1983 acquisition of failing Seafirst - is being questioned.

There are many on Wall Street and within the banking community who wonder whether the 46-year-old Mr Amacost can ride out the storm. In the short term BankAmerica's \$1.52 annual dividend must be in danger, Federal banking regulators have already expressed concern that the bank is over-leveraged by forcing it to increase its capital ratios. Now they must be asking questions about the group's dividend.

Mr Lawrence Cohn of Dean Witter, the Wall Street securities firm, said "to say these results are awful is to put it mildly." More pointedly he expressed deep concern that despite the large loan write-offs, BankAmerica's portfolio of troubled loans continues to grow. What is more, he noted that BankAmerica's annualised rate of net loan losses to



Mr Sam Amacost

average loans is 1.83 per cent - more than three times the industry average.

The shocking second quarter loss, the second highest ever after Continental Illinois' disastrous 1984 second quarter, represents the climax of a four-year earnings slide. Just four years ago BankAmerica and Citicorp were running neck-and-neck for the title of the biggest bank in the world and both were equally profitable.

The scale of BankAmerica's fall from grace is highlighted by Citicorp's sparkling 25 per cent rise in second quarter earnings to \$251m.

CHRONICLE OF WOES

● November 15, 1984: Comptroller of the Currency orders Bank America to increase capital ratios from 4.8 per cent to 6 per cent.

● January 21, 1985: BankAmerica announces a 4 per cent drop in 1984 earnings of \$375m and says it has taken a \$37m write-off for unspecified reason.

● February 7, 1985: Bank restates its 1984 earnings downwards to \$348m because of "new information" about faulty mortgage loan pools for which it acted as escrow agent.

● March 7, 1985: Bank seeks \$358m damages in law suits and dismisses several executives involved in the mortgage-backed securities fraud.

● March 20, 1985: Standard & Poor's downgrades debt. BankAmerica "strongly disagrees" with judgment and says new ratings do not assign adequate weight to its unique and fundamental strengths and competitive advantages.

● March 30, 1985: Comptroller of the Currency releases group permission to open limited service banks.

● June 4, 1985: Group says that second quarter earnings will be near break-even point due to higher loan loss provisions.

● July 17, 1985: Bank announces second quarter net loss of \$358m.

"Disinflation, dollar volatility, the uneven recovery and its questioned sustainability have all had their impact. The conclusion to bolster our reserve in light of all of this reflects the most recent estimates of future loan losses inherent in the existing loan portfolio."

While bank analysts say that this latest setback emphasises the breakdown in the group's past credit vetting procedures, it does nevertheless raise the question of how other major banks have apparently escaped the serious problems in real estate, agriculture, shipping and overseas lending which have taken such a toll at BankAmerica.

In fact the results from most of the other major banks - excluding First Chicago and Crocker - have been spectacular. Falling interest rates have provided handsome profits on the bank's securities trading operations and boosted margins on basic lending businesses. At the same time major banks seem to have done well on foreign exchange trading and managed to boost their fee income.

But beneath the bottom line numbers serious credit problems still persist. Many of the major U.S. banking groups have been forced to add further to reserves, loan-loss provisions in the second quarter were generally double the size of a year ago and non-performing loans, after appearing to stabilise, are on the rise again.

AT&T achieves steady growth

By Our New York Staff

AT&T, the major U.S. telecommunications group, achieved strong underlying growth in second-quarter net earnings, with good performance in new and existing activities. Profits rose from \$458m to \$461m, taking the six-month total to \$815m, compared with \$682m previously.

On a per-share basis, second-quarter earnings were 41 cents against 39 cents and 72 cents against 63 cents respectively, on larger capital. However, comparatives were blurred by special factors, mainly arising from the break-up of the former Bell group. First, the 1984 first-half reported figure was higher than the true level because \$314m of delayed billings for access charges by local telephone companies were not charged until the third quarter. Had the costs been taken in, first-half earnings last year would have been 16 cents lower.

Also, the group has adopted higher depreciation rates this year. If they had been unchanged, second-quarter earnings this time would have been 7 cents higher and in the first half 11 cents up.

Mixed fortunes for computer makers

By Our New York Staff

BURROUGHS and Control Data, two of the U.S. "bunch" computer makers both posted lower second-quarter net earnings while Sperry managed to post a significant gain in its fiscal first quarter.

Burroughs said its net earnings fell by 5.6 per cent to \$54.1m or \$1.19 a share from \$57.3m or \$1.26 a share in the year-ago quarter on revenues which grew marginally to \$1.23bn from \$1.22bn.

Control Data said its second-quarter net earnings fell to \$3.8m or 10 cents a share from \$3.4m or 8 cents a share on flat revenue of \$1.3bn. The company said its computer systems, computer services and financial services segments all showed revenue gains while revenues from peripheral products declined.

Nixdorf and Pyramid sign exchange pact

By Our Frankfurt Correspondent

NIXDORF, the West German data processing company, is joining forces with Pyramid Technology of the U.S. in the area of "supermini" computers.

The two companies have signed an agreement to exchange technological know-how and to work together in product development.

Nixdorf said that the co-operation pact was in line with its efforts to introduce a new supermini computer range both as stand-alone devices and network systems. These computers would use the Unix operating system, which was developed by AT&T of the U.S. and has been espoused by a number of European computer concerns.

Nixdorf said that the Pyramid link-up would result in investment spending by the West German company of about DM 20m (\$6.8m) this financial year.

Shell France to close refinery

BY PAUL BETTS IN PARIS

SHELL FRANCE, the French subsidiary of the Royal Dutch/Shell oil group, is planning to close one of its three refineries in France and shed 1,700 jobs between now and the end of next year in an effort to cut losses.

Shell is the latest of the big refiners in France to decide to close a refinery. The company, which currently has a refining capacity of 21m tonnes of oil a year in France had sales equivalent to 11m tonnes last year - some 2m tonnes below the company's break-even point. Shell France also saw its losses increase to FFY 1,070m (\$122m) last year from FFY 260m the year before. The company has not paid a dividend to its parent company for the past 12 years.

The Shell subsidiary has now told its unions in France that it wants to

reduce annual costs by 10 per cent to achieve savings of about FFY 11m. Shell plans to close its Paillex refinery in the Bordeaux area, which has a capacity of 4m tonnes a year. The company's other two refineries, one near Marseille in the south and the other near Rouen in the north, have large export businesses which make them more economically viable. Paillex serves a local market in a region which is not highly industrialised.

A final decision is expected to be taken in the autumn, but officials suggested yesterday that the closure was "about 90 per cent certain."

Shell also wants to reduce its overall workforce in France by 20 per cent by the end of next year. This will involve the loss of about 1,700 jobs. The company wants to

avoid compulsory redundancies and is relying on early retirements and other voluntary schemes. Already 600 people have agreed to leave by the end of this year.

The restructuring programme will also involve new investments to help improve the company's profit margins. The parent company, Royal Dutch/Shell, is expected to hand over to Shell France its profitable French subsidiary, URG-Botgas, currently controlled directly by the Anglo-Dutch parent company. Royal Dutch/Shell will also transfer ownership of its Paris headquarters building and is expected to transform some loans made to the French subsidiary into equity.

Shell France now hopes to cut losses this year by about 50 per cent compared with last year.

Nuovo Ambrosiano in L171bn share sale

BY ALAN FRIEDMAN IN MILAN

NUOVO Banco Ambrosiano, the successor bank to the late Sig Roberto Calvi's Ambrosiano group, is to offer L171bn (\$92.6m) of shares to the public as part of its plan to merge with its La Centrale subsidiary and seek a quotation in place of La Centrale on the Milan bourse.

When the merger is effected the L171bn of Nuovo shares will represent just under 12 per cent of the new group.

Nuovo's share offer, at L3,500 for each of the 50m shares, places a theoretical market value of L1,500bn (\$812m) on the new merged group.

At the end of the complex share transfer exercise between the unquoted Nuovo and its listed subsidiary, the pool of state and private banks who currently hold 81 per cent of the bank will see their stake

diluted to 54 per cent. Shareholders in La Centrale will own a total of 22 per cent of the new Nuovo group and investors who converted warrants into Nuovo shares recently will own 12 per cent.

Nuovo Ambrosiano also said it had earned a net profit of L19.9bn in the six months which ended on June 30 this year. This compares with a L1.1bn net profit for the six months to last December. Comparable figures from the first half of 1984 are not available as the bank is moving to a calendar year-end. In the 12 months to June 1984, however, the bank broke even.

Dr Giovanni Bazzoli, chairman of Nuovo Ambrosiano, declined to rule out the possibility of a further merger in future between the Nuovo-Centrale group and its 44 per cent-owned Banca Cattolica del Veneto regional banking network.

Sales decline 4% for West German retailer

BY RUPERT CORNWELL IN BONN

KARSTADT, the largest West German store group, has given further proof of the troubles of the country's retail sector by reporting a 4 per cent drop in first half sales to DM 4,850m (\$1.41m). This follows the steep fall in 1984.

Last year, when performance was hit by both the difficulties of its Neckermann mail order subsidiary, as well as the seven week strike in the national engineering industry, Karstadt suffered a severe decline in turnover, to DM 8,120m from DM 8,440m, while its parent company net profit slid to DM 239m from DM 304m in 1983.

But the enduring stagnation of sales, experienced also by other major store concerns like Kaufhof, is evidence of how private consumer demand is one of the main weak links in the steady but modest economic recovery taking place.

Neckermann itself, which has accumulated losses of DM 460m be-

tween 1977 and 1984, managed to show a sales growth of 7 per cent in the first six months to DM 783m, while turnover of NUR Touristik GmbH, Karstadt's travel offshoot, was running 12 per cent up on a year earlier.

During the shareholders' meeting in Essen, Herr Walter Deuss, chief executive of Karstadt, successfully beat off demands from exasperated shareholders for a definitive solution of the "Neckermann-problem" although he refused to predict a date when the concern might be back in the black.

Karstadt had been hoping to merge NUR with its counterpart Kaufhof subsidiary, ITS, but the cartel authorities have given strong signs of their intention to block this deal. Should permission be refused, Herr Deuss said, Karstadt would bring in major rationalisation measures at the retail unit, to boost its profitability.

Frontier Airlines in union deal

BY OUR FINANCIAL STAFF

FOUR unions at Frontier Airlines, the loss-making, Denver-based carrier, are set to take 90 per cent of the company's shares under an unusual plan to take the airline private and pay off its debt for a total of about \$240m.

The board of Frontier Airlines, the main operating subsidiary of American Stock Exchange-listed Frontier Holdings, has approved a plan under which the airline would buy out all its 12.4m shares out-

standing for \$17 each, and pay its debt of \$30m-\$35m.

The airline would then turn over 90 per cent of its stock to four of its five unions in exchange for a series of wage concessions. The remaining 10 per cent would be divided evenly between management and non-union employees.

The plan represents an ambitious attempt by the airline, which serves about 78 cities in 27 U.S. states, Canada and Mexico, to resolve its

financial difficulties. Those produced losses of \$13.8m and \$31.1m in 1983 and 1984 respectively.

Funding for the plan will come primarily from the sale of company assets.

The four union parties to the employee stock ownership plan represent four fifths of Frontier's 4,150 unionised employees. However, a fifth union, the International Association of Machinists, has refused to accept the pay concessions.

Gulf Canada acquisition cleared

BY BERNARD SIMON IN TORONTO

THE CANADIAN Government has removed a hurdle to Olympia & York's proposed acquisition of a controlling interest in Gulf Canada by agreeing to allow the state-owned oil company Petro-Canada to spend as much as C\$1.5bn (\$1.14bn) to buy some of Gulf's assets.

Olympia & York, the Toronto-based property developer, made a C\$30m bid on May 23 to buy up to 80 per cent of Gulf Canada from Chev-

ron of San Francisco. But Olympia has asked several times for an extension of the deadline allowing it to withdraw from the deal, apparently to give it more time to conclude negotiations with Petro-Canada. The latest deadline was due to expire last night.

Petro-Canada is understood to be interested in buying the bulk of Gulf's downstream assets, mainly to give it a larger network of retail garages in Western Canada. There

is speculation that Olympia may also spin off Gulf's untapped oil reserves in the Northwest Territories.

The Cabinet has given the go-ahead for Petro-Canada to borrow up to \$1.6bn to finance the purchase of Gulf assets and to finance the remaining C\$200m from internal resources.

With assets of C\$9.1bn at the end of 1984, Petro-Canada is among the country's three largest integrated oil companies.

Texaco bidding exercise wins fine terms

BY MAGGIE HURRY IN LONDON

TEXACO once again achieved fine terms for a \$300m Eurobond issue yesterday, by inviting competitive bids from syndicate managers. Credit Suisse First Boston won the mandate with terms which rival managers considered too aggressive.

Texaco's last deal, in April, had been led by Union Bank of Switzerland (Securities) after a similar bidding exercise. CSFB has been Texaco's usual book-runner in the past. The terms were fixed at a 10 per cent coupon for a 10-year life and an issue price of 98.75. With fees of 2 per cent, dealers said the bonds yield less than 25 basis points more than U.S. Treasury securities, a margin considered too low for this credit.

Traders reported that there was no bid for the bonds in the market from the lead manager, and said that the bonds were being offered at levels outside the total commissions. CSFB plans to have a small syndicate though, and not to distribute bonds generally but to reach specialist demand. Most traditional

BNP Bank bond average			
July 17	103.823	Previous	103.783
High	103.857	1985	Low
			99.940

investors are currently avoiding the market, fearing further falls in the dollar.

The Eurodollar bond market was unsettled again yesterday, both by the dollar's continued weakness and by remarks from Mr Paul Volcker, the chairman of the U.S. Federal Reserve.

Banque Paribas launched a \$75m issue for C. Itoh, the Japanese trading house, which has been largely pre-planned. The six-year bonds have a 10 1/4 per cent coupon and a 101.8 issue price.

The rise in sterling, which has pushed the UK gilt-edged market higher, has saved the World Bank about 15 basis points on its £100m bulge issue. The 25 year bonds were priced yesterday afternoon at a yield of 45 basis points above the

benchmark gilt. Treasury 13 1/4 per cent 2004-08. The gains in that stock meant a coupon of 8 1/2 per cent and issue price of 88.445 for the bond, giving a yield of 10.445. When the issue was announced on Monday the level of the gilt suggested an 11 per cent yield.

IBM has set the European currency unit bond market alight, bringing the lowest coupon yet seen in the sector. Its Ecu 150m five-year deal has an 8 1/4 per cent coupon and par issue price. The book runner is Banque Nationale de Paris.

The name is so well-loved by European investors that the issue sold rapidly, and was trading around 99 1/4. Fees total 1 1/4 per cent. The declining dollar has helped this sector generally and prices were about a point higher yesterday.

Only one Australian dollar issue appeared, a \$500m deal for Den Norske Creditbank, led by Bankers Trust International. The three-year issue has a 12 1/4 per cent coupon and 100 1/4 issue price. It was trading just within the 1 1/4 per cent fees.

Orion Royal Bank increased its deal for Co-operative Bank Handling from A\$25m to A\$30m to meet demand.

In the Swiss franc bond market SBC launched a public issue for the European Investment Bank. It came out as a SwFr 100m issue rather than the SwFr 150m previously expected. The indicated yield of 5 1/4 per cent for the 10-year issue was lower than some bankers had hoped, although a fairly good response was seen.

In the D-Mark Eurobond market, Dresdner Bank launched a DM 150m 12-year issue for Megal Finance. This has a 7 1/4 per cent coupon and 99 1/4 issue price. Traders felt the pricing was correct, although the maturity is unusual. The bonds traded comfortably inside the 1 1/4 per cent selling concession.

Prices rose by around 1/2 point in the D-Mark market as both the weaker dollar and hopes of lower domestic interest rates helped the market, while demand was also seen from abroad.

BY JOHN DAVIES IN FRANKFURT

SIEMENS, the West German electronics and computer concern, is sparing neither money nor manpower in its determined drive to produce "super-chips" and the advanced products based on them.

To speed up its efforts, the West Germans have also turned to Toshiba, the Japanese electronics concern, to draw on its know-how in various aspects of semiconductor technology.

Siemens now expects to begin producing its 1-megabit chip (able to store 1m bits of data) before the end of next year, about a year earlier than originally planned.

Company executives are cautious about predicting whether Siemens will also be able to bring forward its target date for producing its even more powerful 4-megabit chip (storing 4m bits of data).

"Let me put it this way," one executive said, referring to the 4-megabit stage of the project. "I'm more sure than ever of meeting our original target date of 1989."

Siemens is working with Philips

of the Netherlands in developing the 4-megabit chip. Both companies see the ambitious "megaproject" as the key to developing high-technology electronic products able to compete with rival concerns in the U.S. and Japan.

Siemens is preparing to send a team of experts to Japan to study production techniques at Toshiba's semiconductor operations under the newly signed co-operation agreement between the two companies.

A Siemens executive in Munich said that everything in the megaproject had been going ahead well within target, and the pact with Toshiba on an exchange of semiconductor know-how did not arise from any problem with the project.

But it is widely expected in the electronics market that Japanese companies might begin production of a 1-megabit chip early in 1986 and the agreement with Toshiba will help Siemens to narrow any time gap.

With the megaproject gaining

faster momentum, Siemens expects to produce logic devices earlier than planned, opening the way sooner to Application of the new semiconductor technology in such areas as telecommunications, and factory and office systems.

Siemens has already designated these areas as among its top priority projects for the future.

Under Dr Karlheinz Kaske as chief executive, Siemens is bent on pursuing a more dynamic and innovative spirit and has beefed up its overall investment spending to more than DM 4bn (\$1.4bn) this financial year, compared with DM 2.4bn last year.

It recently decided to step up investment in the megaproject from DM 1.4bn to DM 1.7bn. With a further DM 800m being spent on research, this takes its total outlay to about DM 2.5bn.

Work is going ahead fast on construction of a plant at Regensburg in Bavaria, where Siemens will produce both its 1-megabit chip and later the 4-megabit chip. This plant

was at first expected to cost about DM 330m, but Siemens recently raised its projected outlay at Regensburg to about DM 540m.

It has also been investing heavily on its development centre at Puchheim in Munich.

A hardcore of about 200 to 300 employees are engaged in development work on the megaproject, while many others are being involved at times in aspects of the work. The megaproject has taken on a strong momentum and the company is anxious to create a "synergy effect" stimulating other areas.

Siemens, West Germany's biggest private enterprise employer is continuing to take on more workers, but has been finding it difficult to get qualified people for some jobs.

Ironically, Siemens recently fell obliged to introduce short-time working at its electronics components factory at Villach in Austria.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

ISSUE on a yield basis of £100,000,000 LOAN STOCK 2010

The Issue Yield (as defined by, and calculated in accordance with the terms of, the newspaper advertisement published on July 16, 1985) in respect of the above issue is 10.849 per cent. Accordingly, the above £100,000,000 Loan Stock 2010 on issue will bear interest at the rate of 9½ per cent. per annum and the issue price is £88.466 per cent.

The first payment of interest due on March 24, 1986 will amount to £3.160 per £100 principal amount of Stock.

The application list will open at 10.00 a.m. today, Thursday July 18, 1985 and will close later the same day.

Listing particulars relating to the Stock have been published and copies are available from:—

Baring Brothers & Co., Limited,
8 Bishopsgate, London EC2N 4AE

Cazenove & Co.,
12 Tokenhouse Yard,
London EC2R 7AN

W. Greenwell & Co.,
Bow Bells House, Broad Street,
London EC4M 9EL

Rowe & Pitman,
1 Finsbury Avenue,
London EC2M 2PA

Malayan Banking Berhad

US \$60,000,000

Negotiable Floating Rate Dollar Certificates of Deposit due 1987 Tranche B

In accordance with the provisions of the Certificates, notice is hereby given that the rate of interest for the period from 18th July 1985 to 18th October 1985 has been established at 8½ per cent per annum.

The interest payment date will be 18th October 1985. Payment which will amount to US \$5,230.90 per Certificate will be made against the relative Certificate.

Agent Bank
Bank of America International Limited

U.S. \$25,000,000



Bergan Bank A/S

(Incorporated in the Kingdom of Norway with limited liability)

Floating Rate Capital Notes Due 1991

In accordance with the provisions of the Notes, notice is hereby given that for the three month interest period from 18th July, 1985 to 18th October, 1985 the Notes will carry an interest rate of 8½ per cent per annum. The interest amount payable on the relevant Interest Payment Date which will be 18th October, 1985 is U.S. \$20.92 for each Note of U.S. \$1,000.

Credit Suisse First Boston Limited
Agent Bank

Weekly net asset value

Tokyo Pacific Holdings (Seaboard) N.V.

on 15th July 1985 U.S. \$87.75

Listed on the Amsterdam Stock Exchange

Information: Plesner, Halding & Plesner N.V.,
Herengracht 214, 1016 BS Amsterdam.

New issue

This announcement appears as a matter of record only.

U.S. \$75,000,000

SPARBANKER NAS BANK

Subordinated Floating Rate Notes due 1987

Notice is hereby given that for the initial three month interest period from July 17 to October 17, 1985 the Notes will carry an interest rate of 8½ per cent per annum. The interest payable on the relevant interest payment date, October 17, 1985 will be \$210.85 per U.S. \$10,000 nominal amount and will be paid in accordance with the terms of the Temporary Global Note.

The Chase Manhattan Bank, N.A.
July 18, 1985 London, Agent Bank.

RESIDENT ABROAD

Resident Abroad, published by Financial Times Business Information, is Britain's monthly magazine for people living or working overseas.

It informs and advises on all aspects of finance and business, with articles on UK and foreign investment, property, pensions, taxation and insurance. It entertains and informs on matters of health, education, travel and leisure — all of this every month.

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Janine Livermore
on 01-495 4969

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U.S. \$175,000,000

National Westminster Finance B.V.

(Incorporated in The Netherlands with limited liability)

Guaranteed Floating Rate Capital Notes 1991

In accordance with the provisions of the Notes, notice is hereby given that for the six months interest period from 18 July, 1985 to 21 January, 1986 the Notes will carry an interest rate of 8½ per cent per annum. The interest payable on the relevant interest payment date, 21 January, 1986 against Coupon No. 9 will be U.S. \$215.89.

By The Chase Manhattan Bank, N.A., London
Agent Bank

U.S. \$250,000,000



Crédit Lyonnais

Floating Rate Notes Due 1996

In accordance with the provisions of the Notes, notice is hereby given that for the six month interest period from 18th July, 1985 to 21st January, 1986 the Notes will carry an interest rate of 8½ per cent per annum. The interest amount payable on the relevant Interest Payment Date which will be 21st January, 1986 is U.S. \$428.54 for each Note of U.S. \$10,000.

Credit Suisse First Boston Limited
Reference Agent

AIBD BOND INDICES

WEEKLY EUROBOND GUIDE JULY 12 1985

Redemption	Yield	Change on Week	12 Months High	12 Months Low
US Dollar	10.669	-0.300	13.685	10.629
Canadian Dollar	11.707	-0.626	14.039	11.708
Eurocurrency Unit	6.988	2.709	7.924	6.746
Sterling	9.576	-0.886	11.406	9.472
Deutschmark	10.954	-0.872	12.243	10.809
Bank J. Vontobel & Co Ltd, Zurich	7.170	-0.637	8.450	7.170

International Bank for Reconstruction and Development

Washington, D.C.

DM 200,000,000

7% Deutsche Mark Bearer Bonds of 1985/1990

— Private Placement —

COMMERZBANK

AG/ING/HSBC/INT

INTL. COMPANIES and FINANCE

Takeover battle for Storer intensifies

BY CHRIS CAMERON-JONES IN NEW YORK

THE takeover battle for Storer Communications, the fifth largest U.S. cable TV company, heated up when another operator stepped in with a buyout proposal.

Conquest, the country's 16th largest cable TV concern better known for its Muzak background music systems, said it had put together a buyout package funded at \$2.3bn which offered \$7 per share more cash and 20 per cent more stock than the agreed leveraged buyout proposal led by Kohlberg Kravis Roberts, the New York investment group.

Storer said yesterday it was studying the proposal. It involves liquidating parts of the company, which has also been feeding off dissident shareholders who want to liquidate the whole company.

Conquest is offering to acquire each Storer share for \$82 cash, 12 preferred shares in the surviving company with a liquidating preference of \$25 per share and 12 warrants for common shares in the surviving company.

The bidder proposes to finance the merger and continued operations of Storer and to refinance Storer's debt as required with the \$2.3bn, comprising \$200m of its own, \$800m from a syndicate led by Bank of Montreal and \$1.3bn arising from a Merrill Lynch commitment on the sale of certain Storer TV stations and issuing subordinated debt.

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Fort Howard to invest \$1bn

BY WILLIAM HALL IN NEW YORK

FORT HOWARD Paper Company, one of the fastest growing U.S. paper companies, is to invest \$1bn on a new paper mill in a "greenfield" site in Georgia.

The investment is the biggest for many years in the U.S. paper industry which is still recovering from the effects of the recent severe recession and marks the company's confidence in its leadership position in the tissue business. Fort Howard has two paper mills in Oklahoma and Wisconsin and has spent several months debating whether to build its new mill in Georgia or South Carolina.

The new mill, which will produce tissue, towel and napkin products, will use 100 per cent waste paper and will be constructed on a 1,800 acre site in Effingham County, Georgia. The project will be phased in over the next seven years and will involve the construction of four paper machines. The company was unable to give details of the capacity of the new machines.

The first stage converting and shipping facilities will be completed by the late summer of 1986 and products will be converted from paper produced at the group's Oklahoma mill. The first paper machine will be completed in the summer of 1987 and the second machine is planned for start-up in 1988.

The estimated construction costs of the first two paper machines and the necessary pulp processing, converting, warehousing, shipping, power generation, waste treatment and other ancillary support facilities are in the range of \$450m to \$500m.

Northrop well ahead after special gains

BY OUR NEW YORK STAFF

NORTHROP, the U.S. military aerospace group, helped by very large special gains, achieved a leap in second quarter net earnings from \$38.3m or 84 cents a share, to \$61.3m or \$1.30. The underlying performance was obscured by unexpected provisions for spending on new, advanced-technology projects and stock write-downs on the long-serving F-5 aircraft.

However, at the operating level, profit was strongly ahead from \$88.2m to \$113m.

The latest quarterly figures include a \$250m settlement of litigation with McDonnell Douglas concerning the production and use of technology relating to the F-15.

fighter, \$34m from an insurance payout on two F-20 Tigerhawk aircraft that crashed during practice and resolution of contractual issues regarding foreign sales of the F-15.

For the six months, net income jumped to \$137.4m, or \$2.97, from \$69.3m, or \$1.51, a year.

Sales for the latest quarter were up 45 per cent at \$1.22bn, from \$830m, for the half year total to reach \$2.31bn compared with \$1.65bn last time.

Analysts see enormous profit potential in the F-20. So far, however, Northrop has sold none of the aircraft, which is late developed at a cost of almost \$800m from its own resources.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for July 17.

U.S. DOLLAR STRAIGHTS						Change on					
Issued	Bid	Offer	day	week	Yield	Issued	Bid	Offer	day	week	Yield
American Express 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of America 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Montreal 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of New York 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Paris 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Tokyo 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of West 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Zurich 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of London 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of India 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of China 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Japan 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Korea 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Taiwan 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Hong Kong 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Singapore 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Malaysia 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Indonesia 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Philippines 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Thailand 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Vietnam 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Cambodia 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Laos 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Myanmar 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Sri Lanka 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Nepal 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Bhutan 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Tibet 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Mongolia 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of North Korea 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of South Korea 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Japan 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Korea 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Taiwan 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Hong Kong 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Singapore 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Malaysia 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Indonesia 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
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Bank of Vietnam 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
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Bank of Laos 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Myanmar 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Sri Lanka 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
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Bank of Bhutan 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
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Bank of Mongolia 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of North Korea 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
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Bank of Taiwan 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Hong Kong 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
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Bank of Myanmar 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Sri Lanka 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
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Bank of Vietnam 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Cambodia 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Laos 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Myanmar 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
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Bank of North Korea 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of South Korea 10% 08	100	101 1/2	102 1/2	+0 1/2	8 1/2	10/1	101 1/2	102 1/2	+0 1/2	8 1/2	8 1/2
Bank of Japan 10% 08	100	101 1/2	102 1/2	+0 1/2							

Morgan makes markets, and makes them work for international investors



Morgan sales and trading specialists meeting in London are, from left, Hans-Ulrich Hügli, Zurich; Jyonesuke Baba, Tokyo; Ulrich Kronenberg, Frankfurt; Mark Hausberg, head of Eurobond Sales, London; Nabil Sawabini, head of U.S. Treasury International Sales and Trading, London.

Institutional investors actively managing portfolios of international securities expect a lot from a dealing counterparty. They get a lot at The Morgan Bank.

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Member FDIC. Incorporated with limited liability in the U.S.A.

US\$ 100 000 000.-
Credit Suisse Finance (Panama) S.A.
 1134% Guaranteed Notes, Series A, due 1992
 and
 100 000 Warrants to subscribe
 US\$ 100 000 000.- 1134% Guaranteed Notes,
 Series B, due 1992

NOTICE IS HEREBY GIVEN, pursuant to the terms and conditions of the captioned issues, that US\$ 1 000 000 principal amount of Series A Notes have been drawn for redemption at 101% of their principal amount.

The serial numbers of the 1000 Series A Notes of US\$ 1000 each, drawn for redemption and representing US\$ 1 000 000 principal amount, are as follows:

12	5667	10642	10643	10644	10645	10646	10647	10648	10649	10650	10651	10652	10653	10654	10655	10656	10657	10658	10659	10660	10661	10662	10663	10664	10665	10666	10667	10668	10669	10670	10671	10672	10673	10674	10675	10676	10677	10678	10679	10680	10681	10682	10683	10684	10685	10686	10687	10688	10689	10690	10691	10692	10693	10694	10695	10696	10697	10698	10699	10700	10701	10702	10703	10704	10705	10706	10707	10708	10709	10710	10711	10712	10713	10714	10715	10716	10717	10718	10719	10720	10721	10722	10723	10724	10725	10726	10727	10728	10729	10730	10731	10732	10733	10734	10735	10736	10737	10738	10739	10740	10741	10742	10743	10744	10745	10746	10747	10748	10749	10750	10751	10752	10753	10754	10755	10756	10757	10758	10759	10760	10761	10762	10763	10764	10765	10766	10767	10768	10769	10770	10771	10772	10773	10774	10775	10776	10777	10778	10779	10780	10781	10782	10783	10784	10785	10786	10787	10788	10789	10790	10791	10792	10793	10794	10795	10796	10797	10798	10799	10800	10801	10802	10803	10804	10805	10806	10807	10808	10809	10810	10811	10812	10813	10814	10815	10816	10817	10818	10819	10820	10821	10822	10823	10824	10825	10826	10827	10828	10829	10830	10831	10832	10833	10834	10835	10836	10837	10838	10839	10840	10841	10842	10843	10844	10845	10846	10847	10848	10849	10850	10851	10852	10853	10854	10855	10856	10857	10858	10859	10860	10861	10862	10863	10864	10865	10866	10867	10868	10869	10870	10871	10872	10873	10874	10875	10876	10877	10878	10879	10880	10881	10882	10883	10884	10885	10886	10887	10888	10889	10890	10891	10892	10893	10894	10895	10896	10897	10898	10899	10900	10901	10902	10903	10904	10905	10906	10907	10908	10909	10910	10911	10912	10913	10914	10915	10916	10917	10918	10919	10920	10921	10922	10923	10924	10925	10926	10927	10928	10929	10930	10931	10932	10933	10934	10935	10936	10937	10938	10939	10940	10941	10942	10943	10944	10945	10946	10947	10948	10949	10950	10951	10952	10953	10954	10955	10956	10957	10958	10959	10960	10961	10962	10963	10964	10965	10966	10967	10968	10969	10970	10971	10972	10973	10974	10975	10976	10977	10978	10979	10980	10981	10982	10983	10984	10985	10986	10987	10988	10989	10990	10991	10992	10993	10994	10995	10996	10997	10998	10999	11000
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The Notes drawn for redemption will become due and payable on August 19, 1985 together with accrued interest for the period from February 15, 1985 to August 19, 1985.

On and after August 19, 1985 the Series A Notes so redeemed shall cease to bear interest.

As of this date, the outstanding principal amounts are:

Series A Notes: US\$ 99 000 000.-

Series B Notes: US\$ 1 000 000.-

Zurich, July 18, 1985

CREDIT SUISSE

as Fiscal and Principal Paying Agent

PERSEUS

CASH MANAGEMENT IN THE BANKER
 SEPTEMBER ISSUE 1985

The September issue of THE BANKER will be discussing international cash management systems and the technology required to meet the sophisticated demands of corporate treasurers and correspondent banking customers.

The main aspects to be covered are:

- ★ The current market situation in Europe and the U.S. including a table of the major packages on offer today.
- ★ The success of the LOTUS 1-2-3 spreadsheet.
- ★ What the corporate customer expects from his bank's cash management service.
- ★ The U.S. bank's provide European customers with sophisticated cash management products. How well are the European banks packaging their cash management products to meet U.S. competition.
- ★ Third party vendors.

Banks and financial institutions wishing to demonstrate their commitment to the INTERNATIONAL CASH MANAGEMENT sector by advertising in this important issue in the SEPTEMBER issue should contact as soon possible:

THE MARKETING DIRECTOR, THE BANKER

102-108 Clerkenwell Road, London EC1M 5SA Tel: 01-251 9321 Telex: 23709

**WORLD
 MOTOR
 CONFERENCE**

**FRANKFURT
 SEPTEMBER
 12 and 13, 1985**

The Financial Times is arranging a major conference on the World Motor Industry in Frankfurt on 12 and 13 September with the Frankfurt Motor Show

The distinguished panel of speakers will include

Bob Lutz of Ford
 Umberto Agnelli of Fiat and Bernard Hanon

For further details contact:

Karen Eve on
 01-621 1355

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 Minster House,
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INTL. COMPANIES & FINANCE

**Buffels stands out among
 Gencor gold mine results**

By KENNETH MARSTON, MINING EDITOR

A NOTABLY good performance has been achieved by Buffelsfontein in the generally satisfactory net profits earned for the June quarter by the South African gold mines in the Gencor group.

Nearly all have received higher bullion prices during the period—including companies which have closed out forward sales—and the rise in working costs has been well contained.

Special factors have played an important part in some of the profits, particularly in the case of Buffelsfontein which earned less from its gold in line with lower production but which boosted uranium income thanks to a large proportion of sales delivered against higher priced contracts. The company also received a payment of R8.3m (\$4.4m) from an insurance claim.

Buffels also operates the young mining property of Beatrix Mines in return for 16 per cent of the latter's distributable profits. Beatrix is working up to a target of one million tonnes per annum and in the past three months lifted output by 30 per cent to 473,000 tonnes.

It reported a net loss for the latest quarter of R3.98m compared with a profit of R4.03m in the previous three months.

Although working profits doubled to R19.3m, they were outweighed by a charge of R23.3m which mainly represents the interest payable to the holding company Beatrix Mines, covering three months of operations compared with only one month in the March quarter.

Consolidated have underwritten

GOLD MINE RESULTS

	June quarter R000	March quarter R000	December quarter R000	June quarter R/kg	March quarter R/kg	December quarter R/kg
Beatrix	13,980	4,030	—	20.371	20.068	—
Buffels	4,215	3,313	3,057	20.307	19.938	19.938
Graveland	145,950	123,685	69,561	20.287	20.226	20.226
Graveland	5,180	7,280	7,581	20.185	20.516	20.516
Kromaat	18,009	16,494	17,431	20.195	19.989	19.989
Lesla	4,156	4,217	6,131	20.193	20.108	20.108
Mariveles	807	1,006	1,047	20.232	20.335	20.335
St Helena	17,422	15,700	21,861	20.287	20.128	20.128
Unionville	17,053	8,072	12,541	20.156	20.174	20.174
Unionville	12,140	10,585	11,130	20.334	20.077	20.077
West Rand Consolidated	2,592	2,345	2,476	20.243	19.388	19.388
Winbank	17,249	15,878	16,287	20.333	19.938	19.938

* Includes the effect of closing out of forward sales contracts. † Loss.

‡ Adjusted to reflect accounting changes.

This charge will fall after August when a repayment of tax offsets for the operation is received by Beatrix Mines.

Stilfontein suffered a reduction in gold grade during the latest quarter and gold profits fell in line with lower production.

continuing profitability by selling forward all of their expected gold output for this year and 75 per cent of that for the first four months of 1986. Prices received vary but are comfortably over \$20,000 per kg (currently equal to \$327 per oz).

Change of emphasis at UGB

By MARY FRINGS IN BAHRAIN

UNITED GULF BANK (UGB), which signalled a change of emphasis from commercial to investment banking at the beginning of the year, when it announced a consolidated loss of \$5.4m, has already run down the assets of the parent bank from \$1.2bn to \$716m. An interim profit of \$2.06m has been reported.

UGB is a Bahrain-incorporated offshore banking unit established in June 1980 by Kuwaiti non-government shareholders. Its paid-up capital was increased to \$200m following a public share flotation in 1982, and shareholders' equity now stands at \$245m.

Last year's losses were attributed mainly to a poor treasury performance and to writedowns totalling \$14.1m at United Gulf Investment Company (UGIC), a wholly-owned subsidiary. These were related to Kuwaiti or Gulf listed and unlisted securities and to a lesser extent, to U.S. venture capital investments. But profitability was also affected by non-performing Kuwaiti loans.

It is envisaged that a reduction of the loan portfolio from \$18m to a target of \$25m in a year's time will free some \$150m of capital from the bank for redeployment into direct investments. A portion of the

loan portfolio has already been sold off.

Meanwhile costs are being drastically curtailed, with a 50 per cent cut in the bank's staff of 77. Mr Charles Llewellyn, formerly of Chemical Bank, who was appointed as general manager only last October, left UGB this week by mutual agreement. He has been replaced by Mr Mohsen Khalid, the senior credit marketing officer.

Treasury activities in financial futures and foreign exchange options have been terminated, but basic banking business out of Bahrain will continue at a reduced level.

**Sage raises
 holding in
 RMB to 30%**

By Jim Jones in Johannesburg

SAGE HOLDINGS, a leading South African investment holding company, has extended its financial services interests by acquiring an additional 22 per cent of the privately-owned Rand Merchant Bank (RMB). The acquisition, for which Sage is paying R8.3m (\$4.4m) in cash, increases its interest in RMB to 30 per cent.

RMB is an independent merchant bank which was founded and originally headed by Mr Johan Rupert, the son of Mr Anton Rupert who founded and heads the Rembrandt tobacco, liquor, and industrial group.

Mr Johan Rupert left RMB earlier this year to take up an executive directorship at Rembrandt's Stellenbosch headquarters. He has now formalised his break with RMB by selling his remaining shares to Sage.

The bank earned disclosed after-tax profits of R2m in the 15 months to December 1984. At the start of this year RMB merged with Rand Consolidated Investments (RCI), a financial company which specialises in arranging asset-based finance for utilities and municipalities. Sage earned after-tax profits of R13.3m in 1984.

**Second-quarter setback
 at Cincinnati Milacron**

By OUR FINANCIAL STAFF

CINCINNATI MILACRON, the major U.S. machine tools group, suffered a sharp reverse in second-quarter net earnings as competitive pricing for robots and some machine tools continued to squeeze margins. With the strength of the dollar a further negative factor, net profits fell from \$3.6m or 14 cents a share a year ago to \$1.19 or five cents. The 1984 period includes a \$1.5m gain from a reduction in U.S. pension costs, but the latest figures

are also down sharply from the \$3.5m earned in the first quarter.

For the first six months, net earnings emerged at \$1.7m or 20 cents a share, against \$5.1m or 22 cents. Sales rose from \$310.4m to \$334.1m, with \$112.6m (\$158.6m) in the latest quarter.

The company warned that 1985 operating earnings would not match last year's, when net profits were \$12.5m excluding extraordinary gains of \$6.2m.

**Pancontinental starts gold
 production at Paddington**

By OUR MINING EDITOR

COMMERCIAL production has started at Pancontinental Mining's Paddington gold mine, 34km north of Kalgoorlie in Western Australia.

Gold output for the first year of operations is expected to reach about 90,000 oz, making Paddington one of Australia's largest gold producers. The A\$30m (U.S.\$21.3m) mine construction programme was completed two months ahead of schedule and 10 per cent under budget.

The mill is capable of treating more than its design capacity of 2,500 tonnes of ore per day and Pancontinental hopes to make use of the surplus capacity with additional feed material from outside the Paddington leases.

It has thus embarked on an exploration programme and has also begun talks with other gold deposit holders in the area.

**Sultan plans
 big capital
 boost for
 Brunei bank**

By Chris Sherwell in Singapore

INTERESTS related to the Sultan of Brunei have taken a majority stake in the island Development Bank (IDB), one of only two locally-incorporated banks in the oil-rich kingdom, and a major capital increase is planned.

The increase, through a new issue of shares, is expected to make IDB larger than the other local bank, the National Bank of Brunei (NBB), which is 70 per cent-owned by Tan Sri Khoo Teck Fuan, the Malaysian Chinese entrepreneur based in Singapore.

The move is believed to be part of ambitious plans to make IDB Brunei's development bank. The plans are the brainchild of Mr Enrique Zobel, the Filipino entrepreneur who originally set it up and would like to see IDB become a major force in the region.

The scale of the proposed capital increase can be gleaned from the fact that the IDB's paid-up capital currently is only \$312m (U.S.\$5.4m), whereas NBB's is \$950m.

The implications for NBB are unclear but important, because the remaining 30 per cent of it is also owned by interests close to the Sultan, and Tan Sri Khoo is known to be ready to reduce his stake.

Control of IDB was secured by the Sultan earlier this week in a remarkable share deal under which QAF, the Singapore-based investment company, sold at a vast profit the 20 per cent stake it acquired only last year.

The deal raises from 40 to 51 per cent the stake held by Brunei royal interests, and from 20 to 28 per cent the holding of Mr Zobel. Dai-ichi Kangyo Bank of Japan continues to hold the 20 per cent stake it purchased from Mr Zobel earlier this year.

QAF originally bought its 20 per cent holding from Prince Mohamed, the Sultan's younger brother and Brunei's Foreign Minister who indirectly controls QAF. The price paid for 160,000 shares was \$34.5m, and a subsequent dividend of 80,000 shares cost \$350,000.

In this week's deal these shares were sold for \$312.5m, the equivalent of \$4.52 a share, or four times what they cost QAF. The quoted subsidiary of the bank's forthcoming capital increase, evidently decided to secure a large capital gain to repay some of its \$522m (U.S.\$8.1m) borrowings.

QAF agrees that the move will strengthen QAF's balance sheet at a time when it is still suffering from the consequences of its \$558m reverse takeover of Ben & Company, the quoted subsidiary of Straits Steamship. The real interest, however, will now turn to Brunei itself, and the next move by IDB.

**JAL back
 in the black**

By OUR FINANCIAL STAFF

JAPAN AIR LINES (JAL), the national carrier, yesterday reported a turnaround to consolidated net earnings of ¥10.76bn (\$45.27m) in the year to March, from losses of ¥3.44bn in the previous year.

The improvement reflects the achievement of the parent company alone, but the latest result also drew benefit from marked gains by JAL's subsidiary operating flights to Taiwan and by the unit which manages its Nikko Hotels.

Group sales were ¥923bn compared with ¥831bn, and pre-tax profits soared from ¥8bn to ¥30.56bn.

This announcement appears as a matter of record only



Centrale Nucléaire Européenne à Neutrons Rapides S.A.

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**The Dai-ichi Kangyo Bank, Limited
 Australia and New Zealand Banking Group Limited**

**The Industrial Bank of Japan, Limited
 Banca Nazionale dell'Agricoltura,
 London Branch—Licensed Deposit Taker—
 Banque Paribas (London)**

**Banque Louis-Dreyfus
 Sanpaolo-Lariano Bank S.A.**

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**Nippon European Bank S.A.—ITCB Group
 Banque Franco-Allemande S.A.
 Banque Regionale d'Escompte et de Depots—
 Societe Generale Alsacienne de Banque
 —Luxembourg Branch—**

**Sanwa International Limited
 Banque Internationale à Luxembourg S.A.
 Caisse Centrale des Banques Populaires
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 Banque Paribas (London)
 Nippon European Bank S.A.
 Banque Franco-Allemande S.A.
 Banque Regionale d'Escompte et de Depots—
 Societe Generale Alsacienne de Banque
 —Luxembourg Branch—
 BFACM
 The Mitsui Bank, Limited**

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THE MANAGEMENT PAGE: Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ

WHEN THE Dixons electrical retailing group took over Currys late last year, few people in the UK retail trade expected the 100-year-old Currys family name to survive in the High Street.

Yet Mark Southam, chief executive of the Dixons group's retail division, has surprised them all by adamantly insisting that not only will the Currys name survive, but it will also form the focus of a drive by Dixons to consolidate its market leadership in electrical goods.

"We feel strongly that it makes no sense to confuse the customer by merging Dixons and Currys," he explains. "Both operations appeal to different types of customer and we intend to capitalise on these differences."

But Dixons may not have it all its own way. Electrical retailing, the glamour growth sector of British retailing in the early 1980s, is now the scene of a fierce marketing battle between multiple giants anxious to pursue growth even though the overall market has lost much of its buoyancy.

Dixons is not the only combatant which has been realigning its forces for the fray. Woolworths, for example, beat off Sir Phil Harris in 1984 in the race to acquire the Comet electrical discount chain. Harris responded by launching his own chain, with the high-tech sounding name "Ultimate". The retail operations of Trident and Telford have also been merged to form a new chain called "Connect".

Dixons yesterday displayed the effectiveness of its current formula for competing in a lacklustre market: pre-tax profits rose by 83 per cent to £20.6m, on sales some 73 per cent higher at £606.7m (including Currys).

But its decision to develop Currys, rather than simply absorb its operations, remains something of a gamble. Dixons is embarking on what has been described as "a textbook case of parallel retailing"—a strategy followed with some success by those retailing innovators Ralph Halpern of Burtons and Sir Terence Conran of Habitat-Moerhans.

Parallel retailing, or market segmentation as some retailers prefer to call it, is based on retailers more closely identifying various target customers and then creating the merchandise and approach that appeals directly to them. Such close targeting of particular groups has always been the basis of retail success—Harrods, for example, clearly has identified its customers—but what makes it different in the 1980s is that the same store groups now can run several retail operations of the same type, but which appeal to different segments of the market.

Burton, for example, has



Despite its takeover by Dixons the Currys name will survive

Hugh Rutledge

Why Dixons needs the Currys name

David Churchill examines the logic of a retailing strategy

developed several women's wear chains aimed at different groups of women—such as Top Shop, Dorothy Perkins, and Principles. Sir Terence Conran not only has both Habitat and H&M selling home furnishings to two different markets, but also has Now and Richards in the women's wear field.

"Consumers are becoming more discerning and their requirements more complex, under the impact of changes in lifestyle, disposable income, and leisure interests. So a retailer's offer has to be more tightly focused and more clearly differentiated," explains Nick Bubb, stockbroker at Seringhouse Vickers.

Making such a strategy work obviously depends on ensuring that the target customers are sufficiently different for there to be little constraint on the parallel development of both chains.

The question Dixons faces is whether such a strategy can be made to work in electrical goods.

The company's emergence as one of the fastest-growing retail groups has been recent, after a long period when its presence in many high streets across the country was accorded scant recognition by the City. Starting as a chain of photographic shops after the war, it latched onto the emerg-

ing electronics boom in the mid-1970s. Its strategy was based on forging close links with little-known makers of audio and photographic equipment—mainly in the Far East—and pitching its selling prices at extremely keen levels.

At the same time it built up a highly competent management team, run tightly by the company's retiring chairman, Stanley Kalms.

Its typical customers are young and relatively up-market in comparison with other electrical retailers. They are predominantly male, and ultra-enthusiastic about new products. "Dixons has established a niche as the shop for buffs to go to for high-tech," points out Seringhouse's Bubb.

Currys has certainly had a higher profile over its century of trading. It has long held overall leadership of the electrical goods market—with Dixons in third place after Comet—and has been market leader in such sectors as microwaves and audio centres.

The typical Currys customer is older, more down-market and more family-oriented than the average Dixons shopper. But Currys has a higher consumer awareness of its name and reputation for service, and is the leading specialist retailer in most white goods, including refrigerators, freezers and washing machines—products

in which Dixons has no reputation at all.

The two main areas where the chains overlap are TVs and video. Currys achieved a higher market penetration than Dixons in colour TV (9 per cent last year, against 5 per cent), and ran it close to VCRs (7 per cent, against Dixons' 6 per cent). But this was with almost twice as many shops: over 500 compared with Dixons' 275.

Overall, Currys' marketing was less aggressive than Dixons. Currys theoretically offered a wider range of colour TVs, for instance, but its buyers lacked confidence to stock any model in depth, leaving stores short of real winners. A typical branch usually stocked only 30 of the group's 100 best-selling lines at any one time, because of the stock shortages.

After initial consideration of the idea of amalgamating the two organisations, Southam and his colleagues at Dixons took the view that there would be little to gain from it. Both sets of customers would be fused—Dixons high-tech macho males would not be happy, for example, at the sight of washing machines rubbing shoulders with hi-car telephones.

Southam is enthusiastic about the prospect of developing Currys in parallel with Dixons, "although with a sharper, more

targeted appeal to its traditional customers." This development will also include redesigned stores. A key feature of this will be the use of plinths to display white goods as well as greater use of vertical space through double-stacking and new shelving.

Undoubtedly Dixons strength of management and property expertise—as well as aggressive marketing of new and existing product areas—will help it rejuvenate Currys and develop it as a parallel retailer. But what about the competition?

Woolworth is also following a parallel retailing course. Apart from Comet, which has both edge-of-town and High Street discount stores, Woolworth is experimenting with a new shop within a shop concept called "Electronics World" which will bring together the stores' existing audio and electronics products into a more cohesive grouping.

The major threat apart from Woolworth's comes from Rumbelows, the chain owned by Thorpe EMI, which has a similar product range and operating style to Currys. Ultimate, the electrical chain at present jointly operated with Debenhams, has an uncertain future at present because of Burton's bid for Debenhams. However, Ultimate recently acquired Rayford Supreme, which not only added 32 stores in the south-east but also the management expertise of Rayford's chairman Ray Horney.

But the sector still remains largely fragmented, with the top eight specialist retailers between them having less than 30 per cent of the market, a degree of penetration much less than in many other well-established retail sectors.

The success of Dixons' parallel retailing venture will also depend on the future buoyancy of sales for electrical goods. Total retail sales reached £3.56bn last year but this was after a disappointing 15 per cent rate of growth in 1984, the first time for four years that sales through electrical goods specialists had failed to outperform growth in retailing generally.

The slow-down in sales growth reflects the maturity in product life cycles for videos and home computers, as well as the end of a sales spree in 1982-83 caused by the abolition of hire purchase controls. Many retailers who had expanded on the back of tremendous consumer demand are suddenly finding sales harder to come by, points out Richard Hyman of Verdict, the market research company.

So it is not surprising that marketing has become even more crucial for Britain's electrical retailers.

Presenting the best picture to investors

BY FRANK LIPSUS

IN ITS 1984 annual report, AGS Computers of the U.S. reported "advances to record sales and income levels," a listing on the New York Stock Exchange and, according to Lawrence J. Schoenberg, its chairman, a successful year overall "in each of our three main businesses—systems development, software products and microcomputer distribution."

Yet it had been clear in the months preceding the report's publication that even if the company's performance, as outsiders were not. The company's share price had not been reflecting AGS's healthy financial picture, indeed, the low of the fourth quarter of 1983 at \$23 had been higher than the 1984 high of \$14 in the final three months of the year.

Much of the problem was that AGS suffered from the stigma the market attached to all stocks in the computers and software category. So in an effort to counter this perception AGS called investor relations consultants Charles Barker, Brantley, Walton and Company.

Clyde E. Walton, the consultant's president, insists that "differentiation is the name of the game" when improving a corporate image. So he wrote AGS's annual report with all the good news he could muster. He also designed it to be easy to read, with a front cover incorporating a colour-coded index to the contents and a back cover with a summary of the good news of the company's performance and the bad news about its share price.

"The chairman said that people take an annual report, leaf through it from back to front and throw it out," says Walton. "So I decided to put the selected five-year review back there where people look."

In the period since the annual report was produced, the company's share price has jumped from the \$10 range to \$16 and Walton has taken the chairman on a "road show" to meet the investment community.

If public relations and investor relations overlap in producing press releases and written material for clients, Walton distinguishes the two



"Hi, I'm his investor relations consultant"

professions thus: "Public relations is an indirect function, using publicists to influence journalists who then write the articles. A pure investor relations play, in our view, is in the direct contact, face to face with the target audience."

That audience is the investment community—the retail brokers who sell shares to the public and the pension fund managers and institutional salesmen who deal in huge quantities of shares for the bank trust departments, insurance companies and pension funds which account for nearly half the trading on the New York Stock Exchange and hold three-quarters of all shares.

Rapid growth

The industry's recent growth has been rapid. Its professional body, the National Investor Relations Institute (NIRI) is 15 years old, but in the past two years alone membership has doubled to 1,600, representing about 500 companies.

"We used to be viewed as an adjunct of the public relations or finance department in a corporation, rather than as a field of our own," according to NIRI president, Louis Thompson. Investor relations has caught hold particularly as the latest spate of takeovers has focused attention on the loyalty of shareholders, as recognised by corporate raiders.

T. Boone Pickens, who addressed the last NIRI convention on the subject, "Shareholders aren't the enemy."

Corporations are recognising this function as a preventive measure, according to Deborah E. Kelly of Quaker Oats Co, who believes, "the best thing you can do to protect a company from a takeover is to have a

high stock price relative to book value."

Apart from lining up loyalties in takeover battles and keeping share prices up to discourage raiders, the investor relations people help their clients keep down the price of the money they raise. "The bottom line is quite simple," according to George Guimaraes, president of Ketchum Advertising/Philadelphia. "The better the company is known, the lower the ultimate cost of the capital it must raise."

Glenn Schaeffer, senior vice-president and chief financial officer of Circus Circus, a Las Vegas-based casino and hotel operator, looked for investor relations help simply to "develop maximum liquidity for our shares." On a six-day road show Schaeffer covered New York, Boston, Chicago, Philadelphia, Washington, Houston, Dallas, Los Angeles and Las Vegas. Some cities included three meetings in an effort to see and speak with as many analysts, fund managers and brokers as possible.

A company with \$300m revenues, Circus Circus wanted to get the price of the shares up before issuing more stock. The effort worked. The trip helped to push the share price up from \$14 to \$25 for the 2.2m share issue (it is now over \$27).

When assessing a company's strengths, Walton tests different ratios to provide the ammunition he needs. "We might say, 'the price earnings ratio is not great, but look at the price sales ratio' if that is better. And such differences are legitimate when, for instance, in a service company the assets are what goes into the night to play with the family so that the company cannot legitimately be valued on assets."

Contracts and Tenders



REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(Algerian Popular Democratic Republic)

MINISTRE DE L'ENERGIE ET DES INDUSTRIES CHIMIQUES ET PETROCHIMIQUES

(Ministry for Energy & Chemical & Petrochemical Industries)

ENTREPRISE NATIONALE DES TRAVAUX AUX Puits

(National Oil Exploration Company)

NOTICE OF INTERNATIONAL OPEN CALL FOR TENDERS

NUMBER 553/1K/MF

The National Oil Exploration Company is launching an International Open Call for Tenders for the supply of:

DRILLING CABLES OF DIFFERENT DIAMETERS

This Call for Tenders is intended for manufacturing companies only and excludes amalgamations, representatives of companies and any other intermediaries, in conformity with the provisions of the Law No. 78-02 of 11 February 1978, with respect to State Monopoly on Foreign Trade.

Tenders, interested in this Call for Tenders may obtain the specifications from the following address:

ENTREPRISE NATIONALE DES TRAVAUX AUX Puits (ENTP)

16 ROUTE DE MEFTAH, OUED SMAR, EL-HARRACH

ALGIER, ALGERIA

Direction des Approvisionnements (Supplies Division)

for the amount of 400 Algerian Dinars, with effect from the date on which this notice is published.

Offers, of which five (05) copies should be prepared, must be sent in a closed double-sealed envelope by registered mail to the Secrétariat de la Direction des Approvisionnements (Secretariat, Supplies Division) at the above address.

The outer envelope should bear no mark that might identify the tenderer, or any heading, and should read: "APPEL A LA CONCURRENCE INTERNATIONALE OUVERT NO. 553/1K/MF - CONFIDENTIEL - A NE PAS OUVRIR." (International Open Call for Tenders No. 553/1K/MF - Confidential - Do Not Open).

Tenders must be received within 45 days after this notice is published.

Tenders shall be bound to their offers for a period of 180 days after the closing date of this Call for Tenders.

Company Notices

PROVINSBANKEN DEN DANSKE PROVINSBANK A/S

U.S. \$25,000,000

Floating Rate Capital Notes 1990

For the six month period

18th July, 1985 to 21st January, 1986

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 8 1/2 per cent per annum, and that the interest payable on the relevant interest payment date, 21st January, 1986, against Coupon No. 7 will be U.S.\$27.2.

S.G. Warburg & Co. Ltd.

Agent Bank

Art Galleries

AGNEW GALLERY, 43 Old Broad St. W1, 01-492 5174. YOUNG ARTISTS AT AGNEW, Unit 28 Apsley, 1800-1810, 9.30-5.30, Thurs. until 6.30.

BROWNS & DARYS, 10, Cork Street, London, W1, 01-734 7984. FINE BRITISH AND FRENCH paintings, drawings and sculpture, 1870-1950.

LEFFERS GALLERY, 30, Bruton St. W1, 01-492 5107. IMPORTANT XIX & XX CENTURY WORKS OF ART, 20th June-27th July, Mon-Fri 10-5, Sat 10-12.30.

ENERGY INTERNATIONAL N.V. (Incorporated with limited liability in the Netherlands/Anstalt)

Shareholders in the Fund are advised that the annual general meeting of the Fund will be held on 15th July, 1985, at 10.00 hours in the afternoon at the offices of the Fund, 10, Abchurch Lane, London EC4N 3DF. The agenda of the meeting is as follows: 1. Report of the Board of Directors for the year ended 31st March 1985. 2. Dividend payment. 3. Election of Directors. 4. Other business. Copies of the Report of the Fund for the year ended 31st March 1985 will be available at the meeting to the holders of the Fund's shares. The Fund's shares are listed on the London Stock Exchange. The Fund's registered office is at 10, Abchurch Lane, London EC4N 3DF. The Fund's telephone number is 01-492 5107. The Fund's fax number is 01-492 5108.

Clubs

EVE has petitioned the court because of a policy of the club and value for money. Super from 15.30-18.00. Disco and cash machines. 189, Regent St. 01-734 0557.

Wanted

BRADSHAW & WEBB require and offer mortgages. Phone 01-492 7700. 01-582 7382. ROAD RANGE LIVERPOOL—Cash buyers for low mileage Mercedes Benz. 051-709 5457.

IRBID DISTRICT ELECTRICITY COMPANY LTD.

THE HASHEMITE KINGDOM OF JORDAN

JORDAN ENERGY DEVELOPMENT PROJECT

IBRD LOAN NO. 2371-JO

The Irbid District Electricity Company Ltd. (IDECO) invites tenders for the supply of electrical materials and equipment for the construction and development of the Irbid District Electricity Company Ltd. (IDECO) and tenders are acceptable only from countries who are members of the IBRD, Switzerland, Taiwan and China.

MATERIALS FOR ELECTRICAL DISTRIBUTION NETWORK

(1) Supply of hexagonal galvanized bolts, nuts and steel sheets — 2514/03/1

Tenders are invited for the supply and delivery CIF Aqaba of the following: — 133600 mild steel bolts

69000 mild steel washers

150 steel sheets

Tender document price U.S. dollars 50 or J.D. equivalent in Jordan.

(2) Supply of overhead line conductors and fittings — 2514/03/2

Tenders are invited for the supply and delivery CIF Aqaba of the following: — 2050km aluminium conductor

80km copper conductor

parallel groove clamps

Tender document price U.S. dollars 50 or J.D. equivalent in Jordan.

(3) Supply of underground and overhead self-supporting cables — 2514/03/2

Tenders are invited for the supply and delivery CIF Aqaba of the following: — 39 km LV underground cable

Self-supporting overhead cable and accessories

Straight joints for underground cable

Cable lugs and shrouds

Tender document price U.S. dollars 50 or J.D. equivalent in Jordan.

(4) Supply of 33/0.4 kV distribution transformers — 2514/04/1

Tenders are invited for the supply and delivery CIF Aqaba of the following: — 20 50KVA 33/0.4kV transformers

20 100KVA 33/0.4kV transformers

20 250KVA 33/0.4kV transformers

Tender document price U.S. dollars 50 or J.D. equivalent in Jordan.

Tender documents are available and obtainable by application in writing to Irbid District Electricity Co. Ltd., PO Box 46, Irbid, The Hashemite Kingdom of Jordan, accompanied by a cheque for the appropriate J.D. amount, as above. These sums are not refundable.

Tender documents will consist of three documents: one of which will contain the IEE/Meche. General Conditions of Contract (G.C.C.). Two copies of tenders must be submitted to IDECO office in Irbid by 12 noon on the 2nd September for 2514/01/1 and 2514/03/1, 3rd September for 2514/03/2 and 2514/04/1.

Fixed price contracts are required and tenders must be valid for four months and be accompanied by a bid bond as specified in the documents valid for four months.

Announcements

JOHN EVERETT ESQ.

FRICS

Mr. J. W. D. Everett, the well known Chartered Surveyor and Managing Director of Conveyance Control Limited of London, wishes to announce that he is now the joint author with Mr. J. W. D. Everett of the book "The Law of the Land" published by the Law Society of England and Wales. The book is available in paperback and hardcover. The price of the book is £10.00. The book is available from all bookshops and libraries. The book is also available from the Law Society of England and Wales. The book is a must for all those who are interested in the law of the land.

Mr. J. W. D. Everett is a member of the Law Society of England and Wales. He is also a member of the Institute of Chartered Surveyors. He is a member of the Royal Institution of Chartered Surveyors. He is a member of the Royal Society of Arts. He is a member of the Royal Society of Medicine. He is a member of the Royal Society of Education. He is a member of the Royal Society of Music. He is a member of the Royal Society of Literature. He is a member of the Royal Society of Sciences. He is a member of the Royal Society of Letters. He is a member of the Royal Society of Medicine. He is a member of the Royal Society of Education. He is a member of the Royal Society of Music. He is a member of the Royal Society of Literature. He is a member of the Royal Society of Sciences. He is a member of the Royal Society of Letters. He is a member of the Royal Society of Medicine. He is a member of the Royal Society of Education. He is a member of the Royal Society of Music. 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UK COMPANY NEWS

Charter Consd. dives £20m to £16.5m

ALTHOUGH pre-tax profits of Charter Consolidated fell by over £20m in 1984-85 they were in line with market estimates and the group's shares closed yesterday 5p higher at 185p.

Mr Neil Clarke, chief executive, said the year was dominated by the miners' strike, the restructuring of Cape Industries and the difficulties experienced by Johnson Matthey as a result of the crisis at Johnson Matthey Bankers.

The pre-tax profits, down from £27.1m to £16.5m, reflect these factors together with lower realisation surpluses of £4m, compared with the previous year's exceptional £17.5m.

Attributable earnings for this year to March 31, 1985, fell from £26.4m to £16.5m before taking into account an extraordinary charge of £82.9m, of which £49.4m derived from Johnson Matthey.

However, with the group's financial position described as strong the dividend for the year is being maintained at 11p net by a same-again final of 7.25p.

For the current year Mr Clarke said: "We are looking to a significant improvement in operating profits. We look at some of the events of last year as abnormal."

During 1984-85 much was done which will improve the group's performance in the future. Apart

from the mining equipment companies benefiting from the end of the miners' strike action has been taken to sell off close businesses not able to foresee an adequate return on assets.

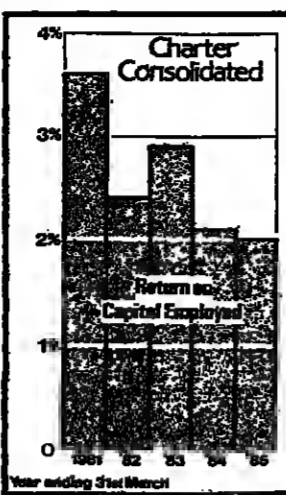
Also the restructuring of Cape Industries has strengthened its trading position and Johnson Matthey has achieved a sharp improvement in its financial position while largely maintaining the operating profits of its main stream business with its emphasis on precious metals technology.

For the year under review turnover pushed ahead from £514.05m to £754.53m—the group is an industrial holding concerned with interests in mining equipment, railway track and catering equipment, building, products, civil engineering and construction, and financial and administration services.

Operating profits came through at £13.34m, compared with a previous £16.3m—the figures included losses of £6.1m (£2.01m) of discontinued businesses.

Dividends and interest received added £8.6m (£11.15m), associates £6.89m (£6.3m) and other interest receivable £7.71m (£7.5m).

Deductions included administration of central activities £5.5m (£7.16m) and interest payable £17.66m (£15.59m).



engineering and construction.

Revenue from investments included for the first time distributions of profits by Rowe and Pitman which showed a satisfactory return on the investment made just over a year ago.

The group acquired a 29.9 per cent stake in Rowe and Pitman in April 1984. However, Rowe has since joined with Mercury Securities, the parent company of S G Warburg, merchant banker, Akroyd and Smithers, stockjobbers, and Mullens and Co. the stockbrokers specialising in gilt-edged securities, in agreeing to merge and form a broadly-based financial services group.

Derived on its interest in Rowe and Pitman and a further subscription of new capital Charter will acquire an interest of some 9 per cent in the new group.

Charter is Johnson Matthey's largest shareholder: Cape Industries is a subsidiary of Charter. Referring to Charter's strong financial position, the directors point out that the proceeds from the sale of investments and subsidiaries exceeded the cost of the acquisition of the interest in Rowe & Pitman and the additional investment in Johnson Matthey.

At year-end debt was some £20m lower and it has since been reduced further.

Anderson Strathclyde, a subsidiary of Charter, improved its turnover from £155.06m to £170.79m in the year to March 31, 1985, but at the pre-tax level incurred a loss of £3.35m, compared with previous profits of £1.03m.

Burnett calls halt to share dealings

By Martin Dickson

SHARE DEALINGS in Burnett & Hallamshire, the troubled coal and property group, were suspended yesterday pending further announcements on the company's much-awaited restructuring plans.

The suspension, at Burnett's request, followed a 33 per cent fall in the share price yesterday morning to 20p.

A brief statement from the company announced that it was holding discussions with the vendors of PBS Coals Inc "concerning the restructuring of Burnett's coal mining interests in Pennsylvania."

Although no comment was available from Burnett last night, it now appears that it is seeking changes in this agreement.

Burnett announced in April that it had been several months from its bankers while it formulated a programme designed to reduce rapidly mounting debts.

It said then that the programme included withdrawal from the Californian property market and restructuring of its U.S. coal interests in the light of the continuing depressed state of the American coal industry.

Yesterday's statement said the suspension was pending further announcements on the Pennsylvania coal interests, as well as group results for the year to March 31 and proposals for future financing.

Peace pact gives Tootal powerful defence against bid

By Martin Dickson

Tootal, the textiles group, has reached a peace pact with Entrad, the Australian textiles company which mounted an unsuccessful £128m takeover bid for it earlier this year and still holds a 29.9 per cent stake in the company.

The agreement should give Tootal a powerful defensive position against any further takeover attempt during the next two years.

Tootal announced yesterday that it had agreed to appoint as non-executive directors Mr Abe Goldberg, Entrad's chairman, and Mr Zev Furst, a director of the Australian group.

In return, Entrad has agreed that it will not increase its holding in Tootal or make a bid for the company without the board's agreement as long as it retains board representation.

Entrad has also agreed not to reduce or dispose of its holding for two years without the agreement of Tootal.

Tootal shares fell on the news to close last night at 76p, down 7p on the day.

The agreement ends speculation that Entrad might have disposed of its stake to another hostile bidder or waited a year before launching a new bid for Tootal.

The pact was also seen yesterday as restricting the room for manoeuvre of J. Rothschild Holdings, the investment company run by Mr Jacob Rothschild, which holds a 9 per cent stake in Tootal after intervening dramatically in the takeover battle last April.

Rothschild's purchase of shares in the final 24 hours of the battle was blamed by Entrad for its defeat.

A Tootal statement yesterday said Mr Goldberg and Mr Furst had given assurance that "their motive in accepting appointment to the board is to advance the interests of Tootal as a whole and that Entrad's policy is to support Tootal's development."

Mr Alan Wagstaff, Tootal's chairman, added that the pact should reassure employees in the group, some of whom had been growing "jittery" with the continued uncertainty about the future of the company.

He said Mr Goldberg had approached him last week seeking board representation, and Tootal had proposed in return the safeguards now adopted.

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Delta SA manganese merger

Delta Group is merging its South African manganese refining interests with those of Electrolytic Metal Corporation, a company associated with South Africa's Gencor group, to create the world's largest producer of manganese.

Delta said that the combined company would have about 50 per cent of the world's manganese refining capacity, with an output of some 35,000 tons a year.

South Africa is the world's largest source of manganese which is used extensively in

making special steel and aluminium alloys.

Under the deal Delta is exchanging an 85 per cent stake in Delta Manganese for 49 per cent of the voting rights in a new company, Manganese Metal Corporation. The other 51 per cent of the voting equity will be in the hands of Electrolytic Metal Corporation.

In addition, Delta will receive R7m cash (£2.8m) and possible further profit-related payments.

Delta's 70 per cent stake in Delta EMD, previously held through Delta Manganese, is excluded from the deal and will

stay in Delta's hands.

Delta said that the aim of the deal was to rationalise the electrolytic manganese metal business to win cost savings. But both Delta Manganese's plant and the refinery owned by Electrolytic Metal would remain open.

Delta said that there would be no material impact on its attributable profits. While net assets employed in electrolytic manganese production would fall by £8.8m, this would be made up by the cash payment.

Delta's shares fell 4p yesterday to 137p.

Westland sells door offshoot for £2.5m

Westland, the troubled UK helicopter group, is selling off Westland Engineers, a small subsidiary making domestic garage doors, for £2.5m cash.

The group said the business had been up for sale since before the £80m takeover bid for Westland by Mr Alan Bristow's Bristow Rotocraft was announced in April.

The buyer of the garage doors company, which employs 260

people at Yeovil, Somerset, is Catic Components, a subsidiary of the RTZ Group, supplying parts for the building industry.

The £2.5m sale will make only a small dent in Westland's net borrowings, which stood at £58.4m at the end of September last year. The company said yesterday that no other businesses were up for sale—including Normair-Garrett—the aircraft equipment company.

Hibernian giving it an equal stake in the company with LAS. The deal is valued at £100m to be satisfied partly by a cash injection into the company, with over half the value provided by the goodwill that will be provided.

Hibernian, in which both the Bank of Ireland and leading UK composite insurance group Commercial Union each hold 30 per cent with a further 10 per cent held by Munich Re, has been looking to expand into the life

Irish life assurance link-up

Hibernian Insurance, one of Ireland's leading general insurance companies, is entering the Irish life assurance market by linking up with Life Association Ireland, the Irish subsidiary of the Edinburgh-based Life Association of Scotland (LAS), itself a subsidiary of the Dutch insurance giant National Nederlanden.

Life Association Ireland is doubling its share capital from £12.6m to £25.2m, with the additional capital being acquired by

assurance and savings market for some time.

Life Association Ireland, to be renamed Hibernian Life Association, currently has an annual premium income of £13m, representing 5 per cent of the Irish life market. Mr Dermot McArdle, managing director of the company, said that he hoped to expand the share of the Irish savings market to between 10 and 15 per cent over the next five years.

Hibernian has been growing fast since Mr Tony Cole took over as chairman earlier this year. In the year to May 1984 its turnover was just under £1m but it has since provisionally acquired three new companies and raised £1m in a rights issue.

Mr Cole said yesterday that the purchase of the Franki shares would be financed primarily through bank borrowings and internally generated resources and that not more than £2m will be satisfied by the issue of new ordinary shares.

Assuming the deal is approved by shareholders, Foraky will become the principal subsidiary of Bestwood's commercial and industrial division—its other division is financial services. Bestwood itself will continue to operate as an investment holding company and the existing management of Foraky will stay as it is.

Mr Cole said yesterday: "The future of certain areas of the coal industry are good and we will be participating in that growth. It is also important that a company in this sphere should be wholly British owned."

For the year ended June 1984 Foraky recorded pre-tax profits of £2.4m on a turnover of £10.3m, but results for this year are expected to show the effects of the miners' strike.

Bestwood's share price fell 2p yesterday to close at 242p.

Bestwood buys rest of Foraky for £7.4m

By David Goodhart

Bestwood, the investment holding concern, has bought the Nottingham-based mining services company, Foraky.

The investment company previously held 24.6 per cent of Foraky, but has now purchased a further 75.3 per cent for £7.4m from the former owners the Belgian company Franki.

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Comeback for Russell Bros.

Russell Brothers (Paddington), the office refurbishment and exhibition contractor, is returning to the market tomorrow after a reverse takeover by the previously unlisted EGC Construction Group.

The new group—Conrad Holdings—has issued just over 4m (25p) extra shares which will be placed with institutions at 70p. Market capitalisation at the placing price for Conrad is £3.9m.

Russell—which made losses of £74,000 in the six months to August 1984—was taken over at the end of 1983 by Mr Neil Phoenix and Mr Bill Johnson, a former chief executive of County Banks. Since the suspension of its shares at 93p in March it has moved into profit and in June acquired the share capital of EGC for £2.6m.

The combined results of the two companies—to the end of February 1985 for Russell and

end of December 1984 for EGC—shows a turnover of £6.9m and pre-tax profit of £261,000.

The joint company will inherit a five-year contract with the Barbican Centre and also plans to move into exhibition organising.

Conrad Holdings' prospectus states that with the UK market for trade and consumer exhibitions at £135m in 1983 the "new group will be well placed to exploit this growing market."

Major career opportunity in financial services public relations

Who we are

City & Commercial Communications is one of the leading corporate PR and advertising consultancies in the country. We're based in the City and our clients include many leading companies in the financial sector internationally.

We start early, often finish late, and enjoy giving our clients the highest level of service possible.

Who you are

You're likely to be between 25 and 35, well educated and well presented, with several years experience in marketing/advertising/public relations in the financial field.

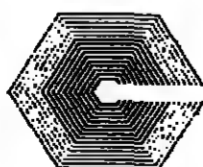
You are totally confident about your ability to handle major accounts and work under pressure.

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City & Commercial Communications Limited

"Our future plans combine continued expansion of existing subsidiaries with the addition of new activities"

reports Ron Marles, Chairman

Group sales up 27%
Pre-tax profit up 33%
Earnings per share up 33%
Dividends for year up 31%

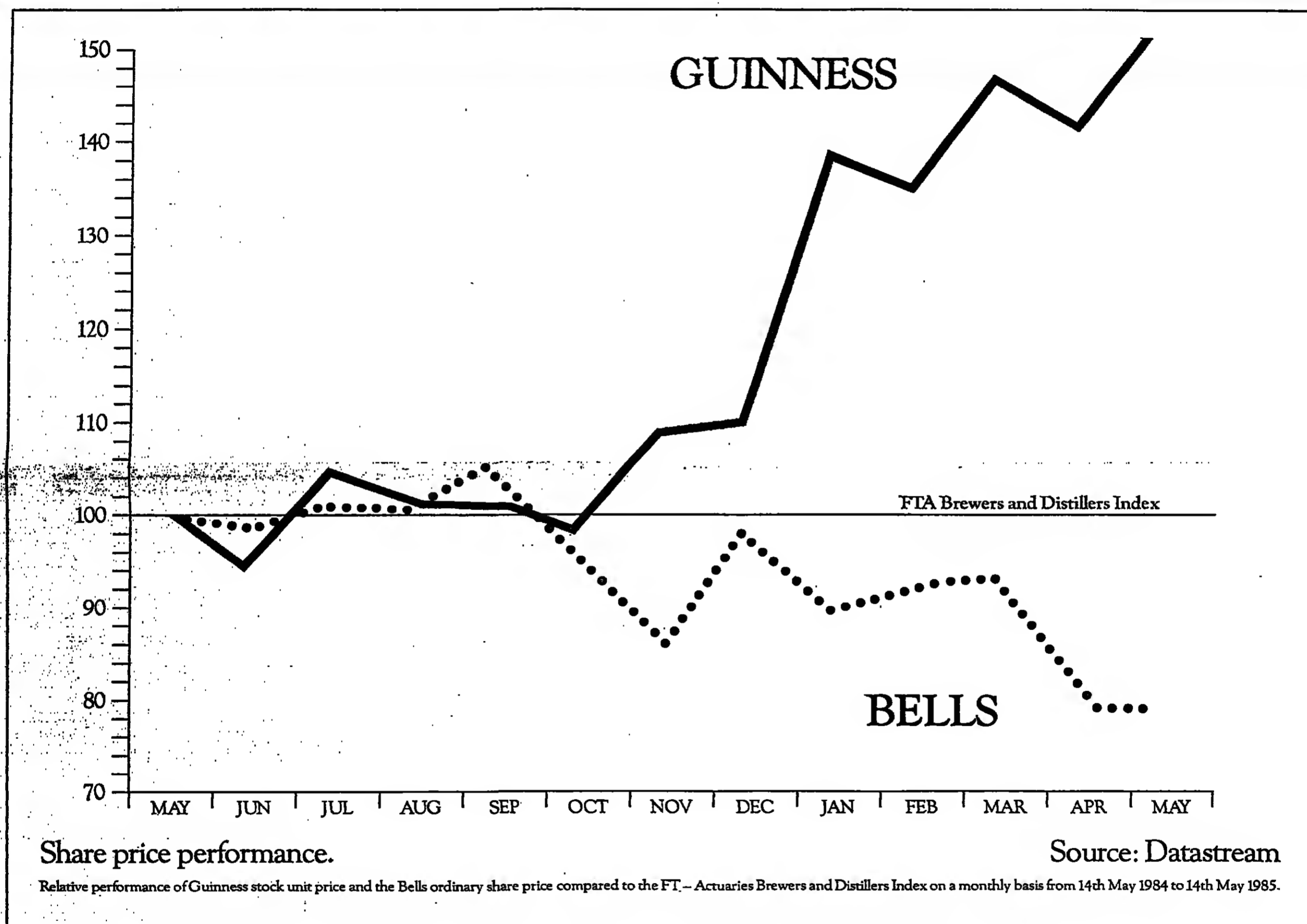
- RS is now fully operational in Weldon.
- Experience in MESA provides stimulus to expand geographically in the U.S.
- The West German market is being actively evaluated.
- Prospects for continued growth remain excellent.

Comparative Results	Year to 31.3.85	Year to 31.3.84
	£'000	£'000
Group sales	164,024	129,300
Profit before taxation	29,587	22,224
Taxation	13,087	9,890
Profit attributable	16,347	11,778
Earnings per share	16.04p	12.10p
Dividends per share	5.25p	4.00p

Copies of the Report and Accounts can be obtained from the Secretary, Electrocomponents plc, Farrier House, St. Albans Road East, Hatfield AL10 0HE.

electrocomponents

WHO HAS THE BETTER SENSE OF DIRECTION?



Since 1980, Bells' share of the UK Scotch Whisky market has declined by 20%.

Overseas, Bells has also failed to achieve its promised inroads into the crucial US market.

In 1981 Guinness faced problems similar to those which now face Bells.

But the new management of

Guinness has revitalised its core brewing business, and also provided strategic direction for growth.

Bells' predicament and Guinness' revitalisation have both been recognised by the Stock Market, as the graph, for May 1984 to May 1985, so vividly demonstrates.

The graph and the growth pros-

pect of an enlarged Guinness group can only lead Bells' shareholders in one direction.

Towards accepting the offers made by Guinness.

GUINNESS PLC

DRAUGHT AND BOTTLED GUINNESS. HARP KALIBER. DRUMMONDS. MARTIN THE NEWSAGENT. LAVELLS. 7-ELEVEN STORES. CHAMPNEYS AND STOBOS. CASTLE HEALTH RESORTS. NATURE'S BEST VITAMINS. GUINNESS PUBLISHING.

Bells has lost its way. Guinness is good for Bells.

UK COMPANY NEWS

Thermal rights issue to fund acquisitions

BY LUCY KELLAWAY

Thermal Scientific, the USM quoted furnace maker, yesterday announced two acquisitions for an initial payment of £5.35m. The deal will be partly financed by a 2-for-5 rights issue at 250p that will raise £5.46m after expenses. The company is buying Kilflon Extrusions, a U.S. based manufacturer of plastic extrusions equipment, and Tervac, which makes vacuum furnaces and electron beam welders in the UK. The move is the latest in a stream of acquisitions, and follows the purchase in January this year of

two similar companies in a deal worth £5.8m. The news of the rights issue which has been fully underwritten by County Bank was calmly received in the City where the shares lost 5p to 298p. The issue was sweetened by the promise of a 33 per cent increase in the dividend for the current year.

The acquisitions will increase pro-forma earnings per share by 38 per cent, and will add some £8.5m to turnover and about £1.1m to profits to create a group

with sales of £20m and pre-tax profits of about £2.8m. Kilflon was described yesterday by Mr Hugh Sykes, chairman of Thermal Scientific, as making a "beautiful and logical fit" with Tervac, another U.S. extrusions manufacturer bought in January. He said that the acquisition would make Thermal Scientific the world leader in this field.

The terms of the deal are \$2.8m on completion and a further \$750,000 in instalments over the next three years.

Tervac, which is being bought

for a maximum of \$4.1m, paid in part by the issue of 570,000 new shares, will complement the furnace businesses of Thermal Scientific subsidiaries Carbolic and Centorr.

Mr Sykes said that there will be synergies from both acquisitions which will be realised over a period of about three years. "There will be no problem in absorbing the companies, the structure is already there," he said.

The company says that further acquisitions are planned for the future, and that the extra cash

being raised by the rights issue will provide a cash cushion against expansion plans. Within the next year at least Thermal Scientific is also expected to graduate to a full listing.

Mr Sykes has said that he will not be taking up his rights, and plans to sell up to 10 per cent of his holding in the company, to leave him with a 18.8 per cent stake. He said that the sale was being made against a specific need for cash, and that he will not be selling any more shares in the near future.

William Ransom advances to £0.48m

Second half pre-tax profits of William Ransom and Son, manufacturing chemist, expanded from £235,000 to £305,000 and lifted the full year's figure to end March 1985 from £376,000 to £477,000.

From earnings per 10p share of 21.91p, compared with 20.82p, directors are paying a higher final dividend of 7p (8p) making the total distribution 8.65p, against 7.5p.

Turnover advanced to £4.88m (£3.66m) for the year. Taxable surplus for the period was after £12,000 (£10,000) for profit sharing scheme.

After tax charge of £146,000, against £64,000, and an extraordinary credit of £81,000—sale of investments—profits came through at £412,000 (£314,000).

In their interim statement last February, the directors said that the effect of the weak pound was helping in some export markets.

Although imported raw materials had increased in price, they were hopeful that the improvement seen during the first six months would be carried through to the second half.

Nolton aims for 'firm capital base' with £3m rights

A HEFTY two-for-one rights issue to raise £3m has been launched by Nolton, the industrial and property services company run by Mr Andrew Millar.

News of the cash call, which is priced at 25p per share, came with some poor interim figures showing a drop in pre-tax profits from £73,000 to £1,000.

Despite a forecast of not less than £80,000 pre-tax for the year ended this month, against £40,000 in the previous 15 months, the shares initially fell by 7p to 43p in the market before recovering to 48p.

The directors, including Mr Millar, who owns 29.9 per cent of the company, will be taking up their rights entitlements in full, amounting to 8.5m of the 12.6m new shares to be issued. The balance has been underwritten.

The aim of the rights issue is to set Nolton on a firm capital base. A large part of the proceeds will repay borrowings used to finance the purchases last February of an 81 per cent stake

in Proofed Packings for £1.56m. Gearing will be reduced to a "more comfortable level" according to Mr Millar.

The availability of additional resources will also enable the recently established development capital division to take advantage of a number of opportunities now being presented.

The reason for the fall in interim profits are largely exceptional, according to the company, caused by timing of Nolton Homes housing completions, the establishment and initial running costs of the development capital division and substantial non-recurring costs associated with group restructuring.

With these exceptions all operating subsidiaries performed significantly better than during the same period of last year. An interim dividend of 0.75p per share is declared and the directors are forecasting a final of 0.424p per share on the enlarged capital. For the 15 months to July 1985 the company paid 1.37p per share.

Amersham pays U.S. director 46% more

Mr Jack Castello, chief executive of the medical products division of Amersham International, received emoluments of £130,178 for the year ended March 31 1985, compared with £88,983, it is revealed in the annual report.

Mr Castello is an American and his remuneration is mostly in U.S. dollars and therefore affected by sterling exchange rates. The figure for 1984-85 includes an exceptional amount paid under an agreement which compensated him for the tax payable on the sale of his U.S. residence, it is stated.

As reported on June 11, the company, a producer of radioactive materials, recorded its fifth successive year of uninterrupted growth in 1984-85 by raising both sales and pre-tax profits by 24 per cent.

Sales expanded from £87.58m to £108.2m and profits amounted to £17.1m (£13.7m) helped by a strong performance by the group's research division together with some assistance from favourable exchange rates.

The dividend is stepping up from 5p to 6p with a final payment of 3.8p. Earnings per share are shown as 21.2p at the year end compared with 16.4p.

Sir John Hill, in his review, says that the 1984-85 year was one in which the group brought to "successful fruition" projects begun in earlier years and initiated new programmes to ensure further progress in the future.

He adds that the current year will see new products in all areas of the group's activities. "The prospects are, I think, good and I am confident that further progress will be made with Amersham's expanding range of products and by the service the company offers to its customers."

The chairman says that two features of the international scene affected the group during the year. On the negative side, Government measures to curb rising health costs, previously evident in the U.S., have now extended to Europe and Japan, he explains.

He adds that on the positive side, the upturn in industrial activity led to an increased demand for radioactive sources, "a trend now visible in most, if not all, of the industrialised nations."

Sir John points out that at home, the increased National Insurance charges, for higher paid staff, will be a significant additional cost. He says that in common with other high-technology employers the group stands to "shoulder a disproportionate additional cost."

Dr Burgess, chief executive, says that medical products sales growth was well maintained—£49.65m (£42.07m)—despite keen competition. Heavy development expenditure again affected this division's profits which fell from £5.94m to £3.17m.

Dr Burgess says the research products sector had a "particularly good year" with substantial increases in both turnover and operating profits to £41.4m (£31.45m) and £11.75m (£8.11m) respectively.

"In regional terms," the chief executive says that overseas sales were consistently good, helped by exchange rate gains. Volume growth was particularly high in Japan and western Europe. In the UK, government expenditure on medical products sales, but sales of other items were satisfactory, he says.

As at March 31 1985 the group's balance sheet shows net current assets of £19.45m, against £11.61m, and shareholders' funds of £57.37m (£49.17m).

Meeting, Dorchester Hotel, W1, on August 7 at 3 pm.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interim or final and the sub-division shown below are based mainly on last year's timetable.

TODAY	Interim	Final
Abbey Life, Automated Security, Channel Islands and International Investment Trust, Debenhams and Partners, Grandson Gold Mining, Gestamer, Habit Precision Engineering, Lonrho, V. J. Lovell, River and Mercantile Trust, South Africa Land and Exploration, Southval, Spafax Television, Trust of Property Shares, Veeva Radio Exploration and Mining, Western Deep Levels, Willsborough's Consolidated, Yeoman Investment Trust.	Da Seers Consolidated Mines (Aug 20), Gaur (Rowen) (Aug 23), Grege (Aug 29).	AIM (Aug 21), Braesay (Aug 24), Oton (David) (Aug 8), Houghton and Sons (Aug 26), M.M.C. Investments (Aug 22), Northern (Aug 22), Scottish (Aug 22), Tean Textiles (Aug 8), Trant Holdings (Aug 31).

ARROWS STOCK FINANCING HELPS HIT GROWTH TARGETS WITHOUT AFFECTING YOUR BORROWING LIMITS

Our readily available financial services can assist with your cash flow by offering unsecured advances at low rates of interest. Once a financial limit has been established we can offer Stock Financing which allows you to purchase goods or raw materials immediately or hold finished goods in stock or in the distribution chain and so make substantial savings.

Arrows also offer importers speedy and efficient letters of Credit. Our service is instant and ensures that your existing lines of credit remain unaffected. For further information, please contact Arrows Limited, Head Office, Arrows House, Kingsway, Manchester M19 1BA. Tel: 061-224 8800.

ARROWS LIMITED

TRADE FINANCERS

U.S.\$200,000,000 CANADIAN IMPERIAL BANK OF COMMERCE (A Canadian Chartered Bank)

Floating Rate Debentures Due 1994

For the six months 18th July 1985 to 21st January 1986 in accordance with the provisions of the Debentures, notice is hereby given that the rate of interest has been fixed at 8 1/2 per cent, and that the interest payable on the relevant interest payment date, 21st January, 1986 against Coupon No. 7 will be U.S.\$431.78.

Agent Bank: Morgan Guaranty Trust Company of New York, London

Graig steady despite absence of ship sale

DESPITE THE continuance of a depressed freight market Graig Shipping, a subsidiary of the UK's largest shipping company, has reported a steady increase in profits of £730,347 in 1984-85.

And although pre-tax profits emerged little changed at £1.23m, compared with £1.25m, the directors point out that the figures for the previous year included the benefits of a ship sale amounting to £534,342.

There was also a tax charge this time of £412,771, against previous credits of £698,259, which left earnings available to ordinary shareholders at £205,445, down from £1,98m, equal to 40.37p (98.51p) per share.

Nonetheless, a final dividend of 7.5p lifts the total from 10p to 12.5p, net of £1 ordinary and "A" ordinary.

Turnover for the past year, to March 31, 1985, advanced from £4.91m to £5.7m.

Pre-tax results included a £6.195 share of related companies profits (£114,716 losses) and interest received, and income from investments totalling £1.81m (£1.44m). Interest charges, however, rose by £519,344 to £774,656 and depreciation by £106,280 to £248,866.

The directors say that the group's net current assets have increased substantially and that total assets, less current liabilities, stand at £26m, compared with £18m previously.

Graig's vessels are engaged in world-wide bulk cargo trade. The group has other interests in oil and gas exploration and investment.

Equity and Law new business record

THE PRE-BUDGET pensions boom in the UK life assurance industry enabled Equity and Law Life Assurance Society to achieve record new business in the first half of this year. New annual premiums in the UK advanced 30 per cent from £17.7m to £23m, while single premium sales rose by 4 per cent from £46.7m to £48.7m.

The company's individual pension business saw new annual premiums more than double from £5.9m to £13.3m and single premiums rise 40 per cent from £1.1m to £1.5m. The new flexible pension contract, Multipension, launched in January, accounted for £10.8m of the individual pension annual premium.

Most of the growth came from self-employed pensions, but executive pension sales were strong.

This pension growth more than offset the decline in life and savings sales over the half year.

New annual premiums on personal investment halved from £2.7m to £1.3m while single premium sales dropped 10 per cent from £2.7m to £2.4m. However, this latter decline was more than offset by quadrupled unit trust sales of £2.5m.

Annual premiums on house mortgage business were also halved from £2.2m to £1.2m, the results for 1984 being boosted by the pre-Budget boom ahead of the ending of L.A.P.R. The company is hopeful that its new mortgage repayment contract, the Low-Cost Homebuyers' Plan will boost sales in the second half of the year.

Group pensions business had a mixed pattern during the period. New annual premiums improved from £3.6m to £4.1m, while single premiums made into the managed fund schemes rose from £7m to £8.1m. However, single premium payments were insured

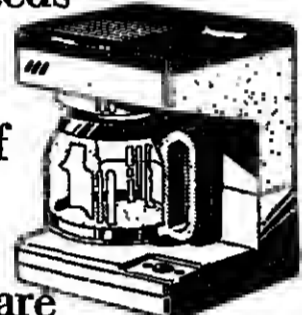
schemes dropped from £1.7m to £800,000.

The company's overseas business moved ahead over the period. New annual premiums in both Holland and Germany rose by 10 per cent in local currency sales, with single premiums in Holland up 40 per cent.

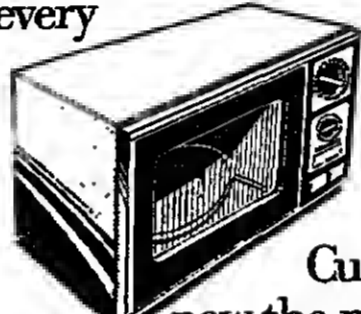
SIMON ENGINEERING has purchased through a new subsidiary the business and certain of the assets of Macawber Engineering from the joint receivers and managers. Final consideration will be approximately £1m in cash.

COMMERCIAL BANK of the Near East says unaltered results for the first half of 1985 show an improvement over the like period of 1984. For the whole of that year the bank made a taxed profit of £385,000 and paid a dividend of 30p.

Our success is a reflection of a long term philosophy of meeting the needs of the consumer. For instance, ten years ago many of the products on this page didn't exist. Today they are household items and we are continuing to bring you more sophisticated products. Our development reflects this philosophy. Ten years ago Dixons



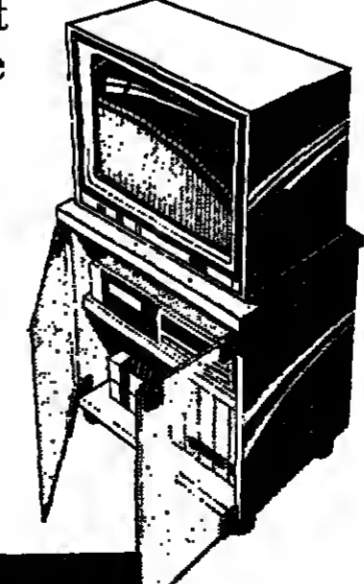
has brought you almost every consumer durable that is part of your lifestyle—from televisions and personal computers to microwave ovens and washing machines. Retail engineering has enabled Dixons to grow



profitably at a rate that few companies dream of. With our successful acquisition of Currys last year, we are now the market leader, retailing the widest range of consumer durables in this country. And we will continue to grow. This year alone we will invest more than £35m in our business,

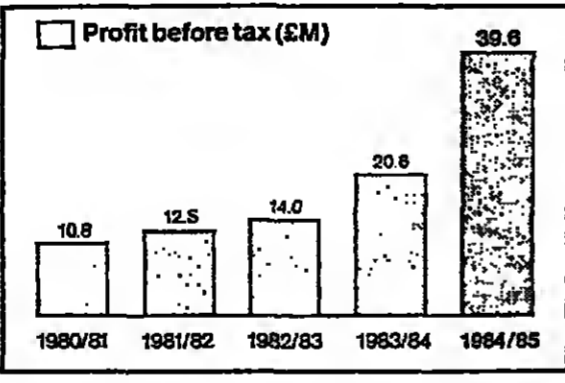


all with the same care and attention to detail that is vital to successful retailing. With a philosophy like ours, you can see why we're confident about the future.



had a turnover of £60 million. Today, we are one of the UK's largest companies, with a turnover of over £600m and employing more than 11,000 people in 840 stores nationwide.

Success of this kind doesn't happen by chance. Its basis is the systematic and scientific attention to detail which characterises our operational approach. We call it retail engineering. Whilst it has brought us success, it



Results in brief	1984/85 (£M)	Percentage Increase
Sales	606.7	+73%
Profit before tax	39.6	+93%
Profit after tax	27.2	+55%
Earnings per share	36.7p	+23%

"Last year I said unequivocally that I have never been more optimistic about the future growth of Dixons and that remains my unambivalent view."

Stanley Kalms, Chairman

Dixons
Group plc

Dixon House, High Street, Edgware, Middlesex.

This advertisement is published by The Burton Group plc, whose directors (including those who have delegated detailed supervision of this advertisement) have taken all reasonable care to ensure that the facts stated and opinions expressed herein are fair and accurate. Each of the directors accepts responsibility accordingly.



Either one could turn Debenhams round. You are being offered both of them.

On the left Ralph Halpern.

Under his leadership the Burton Group has been transformed from an unprofitable and outdated outfitters into one of the brightest stars in British High Streets.

And so it stands today a successful fashion retailer with an unbroken string of increasing profits behind it.

On the right, Sir Terence Conran, chairman of Habitat/Mothercare and arguably the most influential designer that Britain has yet produced.

If Debenhams were looking to appoint a new chief executive they would have a difficult

job choosing between them.

As a Debenhams shareholder you don't have to. You are being offered both.

Compare the achievements of these two gentlemen with the lack lustre performance of Debenhams current management.

Consider their respective profit records, the dividends paid, the rise in share price.

Check their growth in market share and their success with new product development.

And what about the flair needed to succeed in our ever-changing high streets?

Answer these questions and there will be no question in your mind about accepting our offer.

With Halpern and Conran there will be life after Debenhams.

UK COMPANY NEWS

First half loss for Union Discount

Union Discount, the UK's second largest discount house, reported yesterday that it had made a small loss in the first six months of this year due to what it described as "particularly difficult" trading conditions.

It did not disclose the size of the loss—its first in a six-month period—but said it would be holding its interim dividend at 11p.

Like the other discount houses, Union is believed to have been squeezed by the sharp rise in UK interest rates caused by the Government's moves to defend the pound and restrain monetary growth this year.

The company said yesterday that the new units of stock issued in the recent rights issue will rank for the dividend. Union raised £14.4m last month to finance its proposed primary dealership in the gift-edged market.

At that time, shareholders were warned that the movements in short term interest rates were having an impact on business.

For 1984 as a whole, Union reported a rise in profits from £6.1m to £7.4m. The figures were struck after providing for rebate and tax and making a transfer to inner reserves.

BLUE ARROW'S rights issue to raise £8.75m has been taken up as to 95 per cent. The balance has been sold in the market at a net premium of 13.85p per share. The proceeds will be distributed to the original allottees except that no payment will be made for less than £2.

GECOS SpA, a private Italian company, has increased its holding in Empire Stores, the catalogue mail order group, from 15 per cent to 17.67 per cent.

Dixons surpasses most City forecasts with £40m

Dixons Group's full year profits have surpassed most City estimates and Mr Stanley Kalms, the chairman, remains as confident as ever about future growth.

The electrical retail group, which has been a consistent victor in last year's bitterly contested takeover battle for Currys, turned in £39.5m pre-tax compared with the City consensus of £38m. Dixons's shares closed 5p higher at 717p and yield 12 per cent with the dividend being stepped up from 5p to 6p through a 4.08p final.

"Last year I said unequivocally that I have never been more optimistic about the future of Dixons and that remains my unambiguous view," says Mr Kalms.

The result for 1984-85, against the previous year's £20.5m, included a five month contribution of £8.6m from Currys after interest on the £24.4m acquisition. Earnings per share, up from 28.8p to 36.7p, cover the dividend six-fold. Tax amounted to £12.4m (£2.9m).

Taking control of Currys turned Dixons into the UK's largest retailer of electrical goods covering a wide range of both white and brown products from 838 stores. Turnover in the year to April 27 amounted to £808.7m, including £190.6m from Currys, compared to £350.8m.

Growth has continued on the retail side. Twelve new branches were opened during the year, a further 21 were resited or extended, five existing stores were completely refitted and capital expenditure of £14.5m was incurred. Growth was further driven by increases in market share with sales rises achieved in all major product groups.

Particularly improved figures were recorded in 35 mm cameras (sales up by 67 per cent), tape recorders (up by 49 per cent), hi-fi music centres (up by 37 per cent), home computers (up by 48 per cent) and microwave ovens and telephones (both up by 280 per cent). The exclusive Salsbo and Miranda brands also showed substantial growth.

Currys Retail has been integrated with senior management strengthened, product ranges restructured, advertising sharpened and all the stores have been re-managed.

Steps have been taken to improve productivity including the appointment of Lombard Tricity Finance to finance the credit business, the sale of Carouse (the TV and video rental business) to Visionaire, and the installation of electronic point of sale terminals throughout the chain at a rate of 15 branches per week.

Mr Kalms says these actions will reduce the administrative workload and increase capacity to focus on selling.

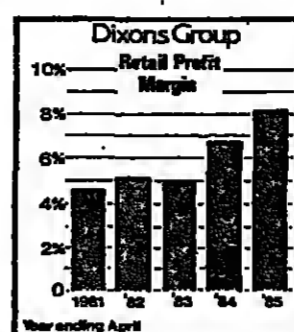
A shop development programme has commenced, spearheaded by a redesigned retail format. The first of these "new currys" opened in Walsall in May and the design and merchandise concepts are now being rolled out across the chain. These changes are already being reflected in sales performance which in the early weeks of the new financial year has been particularly encouraging, says the chairman.

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Horizon's retail franchise continued to increase rapidly, with



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The processing division's financial performance was strong, reflecting gains in market share and productivity (the volume of films processed increased by 24 per cent during the year) and the reorganisation of Colortrend (acquired in October 1983).



Mr Stanley Kalms, the chairman

the number of accounts doubling. Prospects for the current year are favourable, says Mr Kalms.

Property operations had another record year, he says, and several important developments were successfully completed including retail schemes at Slough, Kingston and Colchester. A steady growth in profitability is anticipated.

Investment has been reduced in pharmaceutical wholesaling which now trades from one depot. Permaflex (manufacturer and distributor of butane gas rails and snuff) recorded another successful year.

Profits overseas increased by 61 per cent due to higher returns on investment portfolio and a contribution from property development from the U.S. Property development activities have commenced in Belgium with the acquisition of Cedic and a number of projects are currently under construction in Brussels.

Horizon's retail franchise continued to increase rapidly, with

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This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange. It does not constitute an invitation to the public to subscribe for, or to purchase, any securities.

KEYSTONE INVESTMENT COMPANY p.l.c.

(an investment company within the meaning of Section 266 of the Companies Act 1985; incorporated in England under the Companies Act 1948 with registered number 538179)

Placing of
£3,000,000 11½ per cent. Debenture Stock 2010/2015
at £99.855 per £100 nominal
payable as to £25 per £100 nominal by 23rd July, 1985
and the balance by 2nd September, 1985

Application has been made to the Council of The Stock Exchange for the whole of the £3,000,000 11½ per cent. Debenture Stock 2010/2015 (the "Stock") to be admitted to the Official List.

In accordance with the requirements of the Council of The Stock Exchange, £600,000 nominal of the Stock has been offered to the market and may be available to the public.

Listing Particulars relating to Keystone Investment Company p.l.c. (the "Company"), incorporating particulars of the Stock, have been prepared as required by The Stock Exchange (Listing) Regulations 1984 made under the European Communities Act 1972, and are contained in new issue cards circulated by Eitel Statistical Services Limited. Copies of the Listing Particulars, accompanied by copies of the consolidated audited annual accounts of the Company for the year ended on 31st October, 1984, are available during normal business hours on any day except Saturdays, Sundays and Bank Holidays, up to and including 1st August, 1985 from:

Keystone Investment Company p.l.c.
and
S. G. Warburg & Co. Ltd.,
33 King William Street,
London EC4R 9AS.

Grieson, Grant and Co.,
Barrington House,
59 Gresham Street,
London EC2P 2DS.

and, during normal business hours on 18th and 19th July, from:

The Company Announcements Office,
The Stock Exchange,
Throgmorton Street,
London EC2P 2BT.

18th July, 1985

Moorgate lifts net asset value to 337p

Net asset value per 25p share of the Moorgate Investment Trust amounted to 336.9p at the end of the year to May 31 1985 compared with 266.9p a year previous.

Revenue available for distribution rose from £492,000 to £564,000 after tax of £266,000, against £207,000. The final dividend is being raised 0.75p to 7.5p, lifting the total to 11.5p (10p).

Turnover rose by 11 per cent over the year to £92.07m (£83.06m), but the directors report that increased interest rates have affected consumer spending on furniture. This was also noted in the interim statement in February, and since then they say that trading conditions have remained difficult.

The second half is normally the better trading period, and the directors of this Bridgend-based group are recommending an increased final dividend of 2p (1.5p), for a doubled total of 3p.

While competition remains severe in the United States, the rate of growth in Japan is in excess of our most optimistic forecasts and there is still no sign of a reduction in tourist activity in the home market," he says.

</

Gencor Group

Gold Mining Companies' Reports for the Quarter ended 30 June 1985

All companies mentioned are incorporated in the Republic of South Africa

BUFFELSFONTEIN Gold Mining Company Limited

Issued capital—11 000 000 ordinary shares of R1 each.
—12 400 150 non-cumulative preference shares of R1 each.

	Quarter ended 30.6.1985	Quarter ended 30.6.1984	Year ended 30.6.1984
Operating results			
Mined	155 765	202 560	653 137
Gold produced	880 000	884 000	3 490 000
Yield	7 023	7 677	29 790
Working revenue	166 222	178 499	185 57
Working costs	85 527	84 496	82 54
Working income	80 695	93 993	103 03
Gold price received	20 287	20 026	19 353
	318	306	329

The above figures include ore processed by Buffelsfontein Gold Mining Company Limited from the surface stockpile.

Uranium			
Pulp treated	817 000	808 000	3 180 000
Uranium produced	171.5	182.0	676.0
Yield	0.21	0.23	0.21
Financial results (R'000)			
GOLD—Working revenue	142 945	154 217	577 841
—Working costs	73 588	73 408	291 547
—Working income	69 356	80 809	286 294
Uranium—Working income	23 435	3323	34 217
Sundry income—net	1 800	7 643	27 429
Dividend received	1 800	—	5 400
Tribute and royalties—net	(7 638)	(5 673)	(27 932)
Income before taxation and State's share of income	106 929	86 500	335 457
Taxation and State's share of income	15 390	11 342	46 908
Income after taxation and State's share of income	91 539	75 158	288 549
Taxation on off-set on electricity expenditure applied to repay loans	45 629	51 473	155 498
Attributable ordinary shareholders	145 950	133 685	113 051
Capital expenditure	46 400	8 713	89 550
Development—Vaal Reef			
Advanced on reef	14 129	14 180	54 573
Sampled	854	833	3 210
Channel width	800	854	3 012
Channel width—gold	22.8	21.7	19.3
Average value—gold	2 180	2 154	1 842
—uranium	0 761	0 751	0 673
—uranium	73 15	74 64	67 53

One reserve as at 30 June 1985

	Available	Unavailable	Inaccessible	Total
Tons	152	148	2 026	2 326
Scope width	167	148	132	447
Value—gold	6.2	10.2	11.0	27.4
—uranium	1 488	1 069	1 524	4 081
—uranium	0 328	0 251	0 340	0 919
—uranium	53.21	51.36	51.81	156.38

One reserve per limit is calculated at an estimated gold price of R19 000/kg and an estimated uranium price of R150/kg.

REMARKS

Amounts approved not yet spent—R35 954 000.

Commitments in respect of contracts placed—R5 467 000.

Dividend

On 6 June 1985 dividend No. 56 of 40 cents per ordinary share was declared payable to members registered on 21 June 1985. Dividend warrants will be posted on 8 August 1985.

Shareholders' development

Development on reef continues to be affected by faulting in the reef plane.

Share accident

Production was adversely affected by an accident which occurred at the Southern Shaft on 18 April.

This resulted in an insurance claim of which R5.3 million is included in sundry revenue.

Uranium sales

The increase in uranium income is due to a large proportion of the sales having been delivered against the higher priced contracts, together with an adjustment of the exchange rates used in the previous quarter.

Beatrix division

In terms of an agreement, Beatrix Mines Limited has the mining lease area of Beatrix Mines situated in the Beatrix area of the Northern Cape province. This area is attributable to Beatrix Mines and 64 percent to Beatrix Mines Limited.

Operating results

	Quarter ended 30.6.1985	Quarter ended 30.6.1984	Year ended 30.6.1984
Mined	118 205	93 725	280 490
Gold produced	473 000	364 000	1 172 000
Yield	2 370	2 043	5 753
Working revenue	101 399	131 855	131 855
Working costs	61 122	61 144	61 144
Working income	40 277	70 711	70 711
Gold price received	20 371	20 088	19 353
	318	306	329

Financial results (R'000)

GOLD—Working revenue	48 243	18 327	88 570
—Working costs	27 410	27 410	27 410
—Working income	20 833	9 917	61 160
Sundry income—net	(23 311)	(5 738)	(29 049)
Income before taxation and State's share of income	(2 478)	(5 821)	(6 889)
Taxation	(53 890)	(43 030)	(96 920)
Income after taxation and State's share of income	(56 368)	(48 947)	(103 809)
Capital expenditure	8 622	108 067	132 263
Development—Beatrix Reef			
Advanced on reef	8 217	8 439	34 657
Sampled	2 762	2 012	8 598
Channel width	2 630	1 781	9 107
Channel width—gold	71	52	59
Average value—gold	16.7	16.7	16.7
—uranium	1 061	970	983

One reserve as at 30 June 1985

Tons

Scope width

Value—gold

—uranium

—uranium

One reserve per limit is calculated at an estimated gold price of R19 000/kg.

REMARKS

Amounts approved not yet spent—R6 030 000.

Commitments in respect of contracts placed—R2 245 000.

An amount of R50.5 million has been included in capital expenditure for the quarter ended 31 March 1985 for financing and other charges capitalised to 31 March 1985.

Financial results

The attention of shareholders is drawn to the fact that the previous quarter reflected the financial results of one month only as income and expenditure to 28 February 1985 had been capitalised.

Sundry income

This figure is made up mainly of interest payable to Beatrix Mines Limited.

Gold forward sales

The attention of shareholders is drawn to the effect of closing out of forward sales contracts during the quarter.

Labour unrest

On 1 July 1985 most of the black labour force of 7 400 staged a one-day illegal strike. After an ultimatum from management 528 workers elected to terminate their contracts and return home, while 288 were dismissed. Underground production was affected by milling ore from the surface stockpile.

KINROSS Mines Limited

Issued capital—18 000 000 stock units of R1 each.

	Quarter ended 30.6.1985	Quarter ended 30.6.1984	Year ended 30.6.1984
Operating results			
Mined	150 831	141 211	448 812
Gold produced	3 684	3 701	11 048
Yield	133.87	130.84	131.52
Working revenue	51 650	48 555	50 49
Working costs	32 371	31 29	31 29
Working income	19 279	17 265	19 20
Gold price received	20 196	19 698	19 353
	319	304	319

Financial results (R'000)

GOLD—Working revenue	74 697	73 007	219 772
—Working costs	28 737	27 650	84 377
—Working income	45 960	45 357	135 395
Sundry income—net	5 457	3 665	12 498
Income before taxation and State's share of income	51 417	49 022	147 893
Taxation and State's share of income	33 408	32 548	95 559
Income after taxation and State's share of income	18 009	16 474	52 334
Capital expenditure	2 427	2 987	7 712
Development—Kinross Reef			
Advanced on reef	4 930	4 671	14 684
Sampled	906	1 021	2 988
Channel width	782	1 025	2 948
Channel width—gold	51	54	54
Average value—gold	18.0	12.1	16.4
—uranium	1 098	653	885

REMARKS

Capital expenditure

Amounts approved not yet spent—R14 495 000.

Commitments in respect of contracts placed—R2 946 000.

Dividend

A dividend of 150 cents per stock unit was paid on 3 May 1985.

Labour unrest

A one-day strike occurred on the mine on Monday 1 July and 188 workers elected to terminate their contracts. Although underground production was affected, mill throughput was maintained by taking ore from the surface stockpile.

WEST RAND Consolidated Mines Limited

Issued capital—4 250 000 ordinary shares of R1 each.
—25 000 deferred shares of R2 each.

	Quarter ended 30.6.1985	Quarter ended 30.6.1984	Year ended 30.6.1984
Operating results			
Mined	109 021	103 571	219 662
Gold produced	480 200	500 400	580 800
Yield	1 008	1 019	2 027
Working revenue	42 73	38 60	41 12
Working costs	33 37	35 58	37 34
Working income	9 36	3 02	3 78
Gold price received	20 343	19 988	19 812
	355	347	351

Financial results (R'000)

GOLD—Working revenue	20 508	19 618	40 326
—Working costs	18 897	18 304	37 201
—Working income	1 611	1 314	3 125
Uranium income	140	140	140
Sundry income—net	1 401	1 362	2 763
Income before taxation	2 951	3 018	5 968
Taxation	233	271	1 054
Income after taxation	2 718	2 747	4 914
Dividend declared	2 267	12	138

Development

Advanced on reef

Sampled

Channel width

Average value—gold

—uranium

REMARKS

Capital expenditure

Amounts approved not yet spent—R1 095 000.

Commitments in respect of contracts placed—R34 000.

Dividend

A total of 85 200 tons (March quarter 77 900) was milled ex surface dumps and 62 550 tons (March quarter 63 800) from the No. 1 Sirras Dam was treated.

The low-grade surface dump has been depleted and accounts for the drop in tonnage milled. Test milling of the sands dump to replace this source is taking place.

Dividends

On 8 June 1985 dividend No. 107 of 40 cents per ordinary share and dividend No. 98 of R22.67 per deferred share were declared payable to members registered on 21 June 1985. Dividend warrants will be posted on 8 August 1985.

Gold forward sales

In order to ensure the profitability of the gold mining operations, the mine has sold forward its expected gold production to December 1985 and approximately 75 per cent of expected production from January to April 1986.

Prices range from R20 904 per kilogram in July 1985 to R23 357 per kilogram in April 1986.

The attention of shareholders is drawn to the fact that the above transactions may be closed out prior to maturity date, or rolled over at any time. The effect of transactions closed out during the quarter is brought to account in gold working revenue.

ST. HELENA Gold Mines Limited

Issued capital—8 625 000 ordinary shares of R1 each.
—10 115 070 cumulative preference shares of R1 each.

	Quarter ended 30.6.1985	Quarter ended 30.6.1984	Year ended 30.6.1984
Operating results			
Mined	615 000	599 000	1 214 000
Gold produced	3 075	3 114	8 188
Yield	5.0	5.2	5.1
Working revenue	101 24	104 28	103 13
Working costs	52 94	50 20	51 58
Working income	48 30	54 08	51 55
Gold price received	20 267	20 128	20 197
	320	307	310

Financial results (R'000)

GOLD—Working revenue	92 320	82 882	126 202
—Working costs	22 557	20 057	62 624
—Working income	69 763	62 825	63 578
Sundry income—net	4 498	3 069	7 567
Income before taxation and State's share of income	74 261	65 894	71 145
Taxation and State's share of income	16 838	20 204	37 043
Income after taxation and State's share of income	57 423	45 690	34 102
Capital expenditure	7 807	5 298	13 196
Dividend declared	15 400	—	15 400

Development

Advanced on reef

Sampled

Channel width

Average value—gold

—uranium

REMARKS

Capital expenditure

Amounts approved not yet spent—R82 281 000.

Commitments in respect of contracts placed—R19 116 000.

Dividend

On 6 June 1985 dividend No. 80 of 180 cents per share was declared payable to members registered on 21 June 1985. Dividend warrants will be posted on 8 August 1985.

No. 10 Shaft

The shaft has reached a depth of 628 metres.

Base section

The sale of assets for the quarter amounted to R2.0 million (previous quarter R2.7 million) and continues to progress satisfactorily. This amount is not included in the results of St. Helena.

STILFONTEIN Gold Mining Company Limited

Issued capital—13 082 820 shares of 50 cents each.

	Quarter ended 30.6.1985	Quarter ended 30.6.1984	Year ended 30.6.1984
Operating results			
Mined	128 337	118 688	248 005
Gold produced	498 000	488 000	1 880 000
Yield	2 430	2 847	5 077
Working revenue	54	6.0	5.7
Working costs	114.86	121.88	118.27
Working income	65.67	64.56	65.13
Working revenue	298.86	312.12	304.80
Working costs	28.19	29.10	28.19
Working income	271.67	283.02	276.61
Gold price received	21 374	20 158	20 738
	332	305	318

The above figures exclude ore processed for Buffelsfontein Gold Mining Company Limited.

Financial results (R'000)

GOLD—Working revenue	51 896	53 430	105 326
— Working costs	38 553	37 038	75 591
— Working income	13 133	18 391	31 737
Sundry income—net	13 133	12 379	25 512
Tribute and royalties—net	2 280	2 278	4 558
Income before taxation and State's share of income	(2 378)	(12 407)	(14 785)
Taxation and State's share of income	13 035	16 260	29 295
Dividend received	3 182	7 188	10 370
Income after taxation and State's share of income	7 200	—	—
Crucial expenditure	R17 065	R9 072	R26 137
	1 730	3 290	5 020

UK COMPANIES

Thames TV hit by strike and slacker advertising demand

Thames Television yesterday revealed that slackening demand for advertising and a disruptive technicians' strike last year had cut its pre-tax profits down from £13.5m to £8.8m for the year to the end of March.

THE UK broadcasting operators' losses were also estimated at over £1m—down from a profit of about £10m from sales of programmes overseas, chiefly to the United States.

Thames, owned jointly by Thorn EMI and B&T Group, indicated that about 80 per cent of the UK losses were due to the weakness of advertising revenues, which has hit several independent television companies. The broadcaster also said the strike last summer had cut the strike last summer cut autumn by members of the ACTU union.

Overseas profits earned in 1979 were enhanced by the weakness of the pound. The best-selling programmes were comedies, including the Benny Hill show and Man About the House.

The company's turnover edged up slightly from £160m to £168m. It paid no Exchequer Levy because there were no UK broadcast advertising profits, against a £3m payment last year.

After tax of £4.2m (£5.8m), profits were £4.6m (£7.7m). The dividend is to be about 4.7p, against 7.5p.

Thames is currently embroiled in a bitter takeover battle. Managing director, Mr Bryan Cowgill, who resigned last week over the lack of support given him after the company's 1978 takeover by the BBC. He has been replaced by Mr Richard Dunn, formerly production director.

Group parent, British Rediffusion Television, announced pre-tax profits down from £9.1m to £8.5m, on turnover of £59.7m for the year to the end of March.

Part of the reason for its interest is the stake in Thames Television. It is paying a final dividend of 25.25p (£26.38p), against 50.45p (£52.22p) in 1978. Bywireless £22.50 £22.50 £22.50

Hampson Industries, a holding company with interests in engineering and industrial cleaning, has lifted pre-tax profits from \$1.1m to \$1.31m for the year and has paid a 10% increase in the better \$524,158 achieved in the second half against \$711,705.

In addition, management figures for the early months of the year show a marked improvement over the equivalent period. Mr John Wardle, chairman of this West Midlands-based group, says:

A final 0.75p dividend is being proposed, compared with 0.545p adjusted for the one-for-10 scrip issue in October 1984. Total dividends of £1.05p for the year, against 0.818p.

Stated net earnings are shown as 2.9p (2.88p) per 5p share. The chairman says that some may feel they too comfortably cover the dividend in view of the group's strong balance sheet, but that the firm wishes to pursue a progressive dividend policy to the best sense of the word."

When the report and accounts are published he says that the balance sheet will once again show an improvement in liquidity and with mutualising shareholders' funds are forcing the firm to pay a dividend.

Turnover for the year improved from £13.2m to £22.02m. After tax of £620,742 (£439,551), net profits emerged at £896,832 (£629,242). There were extra £1.05p (ordinary debits) this time of £31,075.

Albany Life Assurance Company, a member of the American Mutual Life Insurance Co., is entering the group pensions and AVC market in the autumn.

Mr. Malcolm Kerr, head of Albany's broker division and responsible for marketing said: "The Government's Green Paper proposes the introduction of pensions with the ending of Corps made it vital for Albany to be in this market.

Until now, Albany Life has operated only in the field of individual pensions to executives and to the self-employed, an area in which it has been highly successful, with some 70 per cent of its sales in the year coming from these pension courses.

Under the Green Paper proposals, employers will be forced to take out company schemes, while employees will have the option to come out of the companies' pension and make their own personal pension arrangements.

Malcolm Kerr sees a big market for his company, such as Albany Life, in offering both personal - pensions and - small group schemes operating on a money purchase basis.

Although the company expects most of its pension business to come from the independent intermediary market, it is, never the less, training its direct sales staff in the art of the new pension contracts.

The company's investment advisers, Warburg Investment Management, are one of the biggest managers of pension funds in the UK.

	Current payment	Date of payment	Corp. sponsoring div.	Total last year	Total year
Charter Const.	7.28	Sept. 7	7.25	11	11
Christie-Taylor	4.08	—	1.5	8	15
Diason Corp.	2.08*	—	3.4	8	5
Edwards Group	4.08*	—	1.4	2.3	1.2
Fleming Food	7.5	Sept. 13	7.5	12.5	10
Graig Shipping	0.75	—	0.55*	1.05	0.82*
Hampson Inds.	4.75	Sept. 6	5.23	7.73	7.25
Philip Harris	7.5	Sept. 18	7.5	11.5	11.5
Wm. Ransom	4.75	Sept. 2	6.75	11.5	10
Moorgate Inv.	int. 0.75	—	0.61	11	1.38*
Nolton	int. 11	—	11	—	37
Union Discount	int. 11	—	11	—	37

Dividends shown peace per share net except where otherwise stated.

* Equivalent after 10% for scrip.

Unquoted stock. For 15 months. Fiscal of 1942. On capital

TOTAL OIL MAINE, operator of the Alwyn North field, has announced that the contract for the book up of the Alwyn North field will be awarded to **F. & W. OFFSHORE SERVICES** of Aberdeen. The contract includes the book up of all the modules on the drilling and accommodation platform, is estimated to cost \$10 million. The work will start onshore in the near future and offshore work is expected to start in 1981.

more than Elm, will run for two years, during which time Elm will transport 400 loads of plant machinery and equipment to the site. The plant is intended to serve the whole of the Middle East

MORRIS SINGER FOUNDRY, the fine are casting division of Morris Singer & Co. Ltd., has obtained orders for major castings overseas totalling in excess

Bank of Greece
US \$150,000,000
Floating Rate Notes
due 1994

SPINNEY, a member of the **Solo Brothers Group**, has been awarded a £250,000 a year domestic services contract for two years by the **Solihull Hospital** for the supply of cleaning and housekeeping services at the 321 **Solihull Parkway** site, the 168-bed maternity hospital at **Marston Green** together with the **St. Andrew's Clinic** in the **Solihull Health Authority** area for three years from November 1985.

Notice is hereby given that the Rate of Interest relating to the above issue has been fixed at 8 1/2 per cent for the period from 1st July, 1985 to 15th October, 1985.

Total interest payable on 18th October 1985 will be US\$250,000. Note will be US\$449,43 and US\$250,000. Note will be US\$11,235.67.

For the Bank:
Morgan Guaranty Trust Company

DOW FREIGHT SERVICES of Stockport, has won a contract to export an entire tobacco manufacturing plant to Turkey for an international tobacco company. The production plant is to be located at Bidis, close to the Iraqi border. The contract, worth

due 1994
Notice is hereby given that the Rate of Interest relating to the above issue has been fixed at 8½ per cent for the period 18th July, 1985 to 18th October, 1985.
Total Interest payable on 18th October, 1985 per US\$10,000 Note will be US\$449.43 and per US\$250,000 Note will be US\$1,123.67.
Agent Bank:
Morgan Guaranty Trust Company

LADBROKE INDEX
934-938 (+1)
Based on FT Index
Tel: 01-427 4411

BASE LENDING RATES

A.B.N. Bank	12	Mill Samuel	112
Allied Dutch & Co	12	C. Hoare & Co.	12
Allied Irish Bank	12	De Lauro & Co.	12
American Express	12	Johnson Matthey Bkms.	12
Amst. Handelsbank	12	Knowsley & Co. Ltd.	12
Amro Bank	12	Lloyds Bank	12
Associates Cap. Corp.	12	M. & M. Manners & Co.	12
Banco de Bahia	12	Magpyr & Sons Ltd.	18
Banco Espanol	12	Milzand Bank	12
BCCI	12	Morgan Grenfell	12
Bank of Ireland	12	Nat. Credit Corp. Ltd.	12
Bank of Cyprus	12	National Bk. of Kuwait ..	12
Bank of India	12	National Girobank	12
Bank of Scotland	12	National Westminster ..	12
Banque Belge Ltd.	12	Nat. Bank Ltd.	12
Banque de l'Inde	12	Norwich Gen. Trust	12
Beneficial Trust Ltd.	12	People's Trust	12
Brit. Bank of Mid. East ..	12	Paragon Bank (UK)	12
Bank of China	12	Provincial Trust Ltd.	12
OT Bank Nederland	12	R. Raphael & Sons	12
Canada Permanent	12	Roxborough Guarantee ..	12
Ceyzer Ltd.	18	Royal Bank of Scotland ..	12
Cardinal Holdings	18	Royal Trust Co. Canada ..	12
Charterhouse Japhet.	12	W.J. Henry Schroder Wagg ..	12
Chloriontrusts	12	Standard Chartered	112
Citibank NA	19	TCE	12
Citibank Savings	112	TCB Savings Bank	12
City Merchants Bank	12	United Bank of Kuwait ..	12
Citydeals Bank	12	United Mizrahi Bank	12
Credit & Sav. Bk. Ltd.	12	Wentworth Bank	12
Comm. Bk. N. East	12	Whiteaway Laidlaw	12
Consolidated Credits	12	Williams & Glyn's	12
Co-operative Bank	12	Yorkshire Bank	12
Credit Suisse	12		
Duncan Lawrie	12		
E. T. Trust	12		
Exeter Trust Ltd.	12		
First Nat. Fin. Pln.	12		
First Nat. Secs. Ltd.	12		
Robert Fleming & Co.	12		
Robert Fraser & Fms.	12		
Grindlays Bank	12		
Guinness Mahon	12		
Hambros Bank	12		
Heritable & Gen. Trust ..	12		

* 7-1/2% deposit 8.75% 1 month
 3.5% Top Time £2,500+ at 3
 month notice 12% 12 months when
 £100,000 or more is deposited.


\$ Call deposits £1,000 and over
 8 1/2% quarterly

£ 2 1/2% deposits over £1,000 10%

* Mortgage base rate,

** See Provincial Trust Ltd.

*** Demand deposits 8 1/2%



**The Union Discount Company
of London, p.l.c.**

At a Meeting of the Board of this Company held on 17th July, the Directors declared an interim dividend of 11p per £1 unit of Stock on account of the year ending 31st December, 1985. This interim dividend will be paid on 30th September, 1985 to Stockholders whose names are on the Register at the close of business on 6th September, 1985. The new units of Stock issued as a result of the rights issue recently made by the Company, will also rank for this dividend.

As indicated in the circular to Stockholders dated 31st May, 1985, trading conditions during the first half of the year have been particularly difficult. The net revenues earned during the period have not covered operating costs, resulting in a small loss at the half year.

The Union Discount Company of London, p.l.c.
London 30 Cornhill, London EC3V 3JN. Tel: 01-423 1020
Edinburgh 13 Clavelcoe Square, Edinburgh EH2 4DJ. Tel: 031-226 3533

Granville & Co. Limited

Member of The National Association of Security Dealers
and Investment Managers


8 Lovat Lane London EC3R 9DT

Telephone 01-621 1212

Over the Counter Market.

High	Low	Price	Change	Gross Yield div.(p.)	Fully taxed
145	125	125	—	7.5	8.5
151	135	Ass. Brit. Ind. CULS...	—	—	—
151	135	Ass. Brit. Ind. CULS...	—	—	—
77	44	Alpersong Group	44xd	8.4	14.5
42	26	Armstrong and	26	—	5.1
139	106	Bardon Hill	158xd	4.0	2.5
64	42	Bry Technology	43	—	2.1
201	181	CCl. Ordnance	181	7.4	7.4
152	105	CCl. IPI. Com. Prod.	105	15.7	14.9
130	100	Carburendum Ord.	120	4.9	3.8
88	33	Carburendum 7.5pc Pl. ..	88	10.7	12.2
73	46	Daborsa Services	47 +1	6.5	13.8
457	187	Frank Horsey	457xd	1.4	0.3
395	170	Frank Horsey Pl. Ord. 87	395xd	11.9	9.3
32	23	Fredrick Park	26	—	—
66	31	George Blair	65	—	—
60	32	Ind. Peabody	60	2.7	13.5
218	177	Isla Group	190	15.0	6.3
124	101	Jackson Group	108	5.6	5.2
134	104	Jama Burrough	108	18	10.4
93	83	Jama Burrough Spcpl.	92	12.8	14.0
95	71	John Howard and Co.	95	5.0	5.8
100	92	Lingaphosa	94	—	—
100	92	Lingaphosa 10.5pc Pl.	94	15.0	15.6
850	300	Minibus Holdings HV '80	850	8.9	1.2
121	81	Robert Jamies	86	7.7	7.8
90	28	Securities "A"	33	—	—
92	61	Torrey and Carlisle	92	5.0	8.7
100	75	Torrey Holdings	75	4.3	8.8
30	17	Unilock Holdings	30	1.3	4.3
105	81	Wetter Alexander	105	7.5	7.1
105	81	Wetter Alexander	105	7.5	7.1

* Prices and details of services now available on Prepaid, page 48146


**The Mortgage Bank and Financial
Administration Agency of the
Kingdom of Denmark**
£75,000,000
Guaranteed Floating Rate Notes due 1999, Series 99
Unconditionally guaranteed by
The Kingdom of Denmark
Issue Price 100 per cent.
In accordance with the Terms and Conditions of the Notes,
notice is hereby given that the Interest Period from
16th July, 1985 to 16th October, 1985 the Notes will carry a Rate
of Interest of 12 3/4% per annum. The amount of interest payable
on 16th October, 1985 will be £1,528.08 per £50,000 Note.
Country Risk Limited
Agent Bank

Public Works Loan Board rates

Effective July 17

Years	Quota loans repaid at			Non-quota loans A* repaid at		
	by EIPT	As maturity	by EIPT	As maturity	As to maturity	
ver 1, up to 2	11½	11½	11½	—	—	11½
ver 2, up to 3	11½	11½	11½	12½	12½	11½
ver 3, up to 4	11½	11½	11½	12½	12½	11½
ver 4, up to 5	11½	11½	11½	12½	12½	11½
ver 5, up to 6	11½	11½	11½	12½	12½	12
ver 6, up to 7	11½	11½	11½	11½	11½	11½
ver 7, up to 8	11½	11½	11½	11½	11½	11½
ver 8, up to 9	11½	11½	11½	11½	11½	11½
ver 9, up to 10	11½	11	11	11½	12½	11½
ver 10, up to 15	11½	11½	10½	11½	11½	11½
ver 15, up to 25	11½	11	10½	11½	11½	11½
ver 25	10½	10½	10½	11½	11½	11
Non-quota loans B	10½	10½	10½	11½	11	11½

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment of half-yearly annuity (fixed sums) half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

Review of Operations
Operating companies: It was a mixed year for the operating companies. The mining, building products and railway track equipment companies performed well. The continuation of the miners' strike through the second half of the year had a particularly severe effect on the mining equipment companies. Lower profits were returned from industrial contracting and very competitive trading conditions led to losses in civil engineering and construction.
The financial year end of all companies previously reporting to 31st December has been changed to 31st March and their results cover a 15 month period. The financial year for the building products and railway track equipment companies is 31st March. The building products group has a turnover of \$18.4 million for the period.

Eliminating the results of businesses closed or sold, the profits of the continuing businesses amounted to £19.4 million for the period.

Revenue from Investments

Revenue from investments included for the first time distributions of profits by Rowe & Pimman which showed a satisfactory return on the investment made just over a year ago.

Realization surpluses were down to £4.0 million from the figure of £17.8 million last year which included a profit of £12 million on the sale of one large shareholding.

Administration

Administration costs fell by £1.7 million largely due to a reduction of head office expenditure.

Interest paid: Interest paid on borrowings rose by \$1.1 million owing to the extra quarter's charge for subsidiaries which changed their accounting year and to a higher average level of debt at year-end. In addition, higher interest in the United States for the prior year and the payment of a lump-sum dollar increase in the sterling equivalent of the interest on group debt in US dollars. Of the total interest paid of \$17.7 million more than half is attributable to the two partly owned subsidiaries, Capes Industries and National Milk Service Company, both of which are publicly listed companies, have their own financing arrangements.

Attributable earnings: Earnings attributable to shareholders were £10.5 million after charging £7.5 million for tax and crediting £1.5 million for the share of net losses attributable to minority shareholders of partly owned subsidiaries. This compares with attributable earnings of £26.4 million for the previous year.

Extraordinary items

There was an overall extraordinary loss of \$52.9 million, of which \$49.4 million was Charter's share of losses incurred by Johnson Matthey mainly in connection with the sale of Johnson Matthey's Chemicals and \$3.5 million in the Charter Group.

Charter's share of the extraordinary loss of \$52.9 million was primarily due to the loss of \$49.4 million in the Charter Group, which was attributable to the loss of \$49.4 million in Charter and its wholly owned subsidiaries an extraordinary surplus of \$23.2 million arose mainly on the sale of long term investments, before deducting a charge for legal expenses referred in below.

Against this Charter's share of the extraordinary losses of Cape Industries on the sale or closure of parts of its business was £21.6 million.

Charter has continued to defend itself in a number of asbestos related actions brought against it in the United States on the basis that it is allegedly liable for the acts of Cape Companies. Charter has been advised that it should be able successfully to defend such actions but that uncertainty must exist as to the eventual outcome of the trials of any such actions. The directors consider that it is unlikely the amount of damages which might ensue if liability were imposed on Charter. Based on advice the directors believe that the aggregate of any such liability is unlikely to have a material effect on Charter's financial position and have accordingly concluded that it is not appropriate to make any provision at present for such potential claims. In the accounts, however, extraordinary items include a charge for legal expenses of £5.1 million net of tax covering the year to 31 March 2000.

Major Developments. The purchase of 29.9 per cent interest in Rowe & Pitman was completed on 6th April 1984. Later Rowe & Pitman joined with Mercury Securities, the parent company of S.G. Warburg, merchant bankers, Akroyd & Smithers, stock jobbers, and Mollens & Co., stockbrokers specialising in the gilt securities market, in agreeing to merge and form a broadly based financial services group. The new company, to be called Mercury International Group, will commence trading as soon as the rules of The Stock Exchange are agreed. It will initially concentrate on the sale of government securities and the management of pension funds.

The Johnson Matthey Bankers crisis resulted in substantial extraordinary charges and a loss of investment income for Charter. At Johnson Matthey's largest shareholders, Charter was requested, when the crisis occurred, to take part in the negotiations as the Bank of England and its undertaking at the time to subscribe £25 million of new capital was a key factor in the rescue package. In the event Charter subscribed for £15 million of the new capital, plus £10 million of additional capital for Charter's own contribution to the £25 million Johnson Matthey. Since the sale of Johnson Matthey Bankers Charter has been closely involved in developments at Johnson Matthey and has played a significant role in securing the continued viability of the company.

The activities of Cape Industries were restricted by the sale of core businesses producing automotive components, fibreglass insulation and composite metal claddings. The sale of the core businesses resulted in a substantial loss of operating capital. In April 1984 Cape raised £10.0 million by a rights issue of convertible preference shares of which Charter took up its share. This issue, together with sale proceeds, will significantly reduce the level of debt and restore the company to a sound financial position.

Seas were taken to rationalise businesses unable to recover an adequate return on assets. The sale of the Hastings Soda group, which had not achieved substantial profits, was completed in 1983. The sale of the Argus Printing & Publishing Company to Gardiner & Theobald, a subsidiary of Charter, was completed in 1983. Other divestment investments included the interests in The Argus Printing & Publishing Company in South Africa and in the Tara Exploration & Development Company, and seven million Minorco shares.

Outlook and Dividend
 Charter's financial position is strong. The proceeds from the sale of investments and subsidiaries exceeded the cost of the acquisition of the interest in Rowe & Pirmas and the additional investment in Johnson Mosey. At 31st March 1985 there was some £20 million more than the year before, and this since been reduced further. On the operating side, the continued success of the underperforming businesses will be to enhance the overall profitability of operating companies. Although it is early in the year an improvement in operating profits is apparent.
 Against this background the directors have decided to recommend an unchanged final dividend of 7.25p per share to maintain the total dividend payable for the year at 11.0p per share.

**Consolidated profit and loss account
for the year to 31st March 1985 (unaudited)**

	1985 4000	1984 4000
Revenue		
Turnover (note 1)	754,528	614,052
Operating profit (note 1)	13,336	16,298
Revenue from investments (note 2)		
Dividends and interest received	8,611	11,151
Surplus on realizations	3,978	17,839
Share of retained profits of related companies	6,888	6,295
	19,477	35,285
Other interest receivable	7,709	7,795
	40,522	59,378
Expenditure and charges		
Administration of central activities	5,500	7,162
Prospecting expenditure	846	(381)
Interest payable	17,656	15,585
	24,002	22,366
Profit on ordinary activities before taxation	16,520	37,012
Taxation on profit on ordinary activities		
Charter	4,320	8,843
Related companies	3,154	3,537
	7,474	12,380
Profit on ordinary activities after taxation and before extraordinary items	9,046	24,632
Interest of outside shareholders in subsidiaries	1,496	1,788
Profit sharing scheme		(27)
	1,496	1,761
Profit attributable to Charter	10,542	26,393
Dividends	11,568	11,567
	(1,026)	14,826
Extraordinary (charges) - 1984 income (note 3)	(52,874)	6,753
Deficit for the year (1984 - surplus)	(53,900)	21,579
Earnings per share	10.0p	25.1p

1. Operating subsidiaries	Turnover		Operating profit	
	1985 £000	1984 £000	1985 £000	1984 £000
Continuing businesses				
MANUFACTURING				
Mining equipment	178,762	162,762	798	3,378
Railway track equipment and services	49,111	37,950	3,072	2,654
Catering equipment	20,727	14,614	665	1,274
	244,708	215,326	6,335	10,504
CONSTRUCTION AND RELATED ACTIVITIES				
Building products	67,723	30,424	7,216	4,669
Civil engineering and construction	120,666	79,396	(3,741)	13,311
Industrial contracting	111,892	80,155	118	3,849
	300,284	209,975	4,570	6,187
MINING				
Coal	74,017	47,213	3,644	1,720
Volfraso	14,314	7,663	2,854	303
Metal sales	1,379	2,783	259	87
	89,730	57,661	6,757	2,110
	654,723	482,962	19,862	18,801
FINANCIAL AND ADMINISTRATIVE SERVICES	3,003	4,579	474	278
COMPENSATION FOR INDUSTRIAL DISEASE (CAPE)			19,001	(772)
	637,727	487,541	19,436	18,504
Discontinued businesses	116,801	126,511	(6,100)	(2,006)
	754,528	614,052	13,336	16,298

Note: The results of the operating subsidiaries other than Anderson Strathclyde (included under mining equipment) and the Metal sales companies are for the fifteen months to 31st March 1985. The contributions for the additional three months to 31st March 1984 are summarised below:

Turnover		£000's	Operating profit	£000's
Continuing		83,007	Continuing	2,679
Discontinued		33,036	Discontinued	1860]
		<u>116,043</u>		<u>1,819</u>
			Profit attributable to Charter	1,046
			Earnings per share	1.0n

2. *Rescuee from investments*
Johnson Matthey Bankers (JMB) was sold by Johnson Matthey on 1st October 1984. Johnson Matthey's earnings for the year to 31st March 1985 exclude JMB's results for the half year

to 30th September 1984.		
3. Extraordinary items, net of taxation	1985	1984
Surplus on disposal of long term investments	£0	£0
Costs incurred in respect of the restructuring, sale or closure of operations	22.0	42.3
Legal costs incurred during the year and provided for in future years in respect of asbestos related litigation	(21.4)	(18.2)
Deferred taxation as a result of the 1984 Finance Act.	(3.1)	0
	0	(10.0)

Total Charter	(3.5)	14.1
---------------	-------	------

Share of Johnson Matthey's extraordinary items		
Payment to JMB	(14.0)	—
Write off of investment in JMB	(28.5)	—
		—
Closure of US jewellery	(42.5)	—
Refinancing, re-organisation and other costs	(4.6)	119.3
Profit on disposal of UK base stocks	12.4	(10.2)
Other	0.1	11.8
	0.1	—

0.1	0.4
(49.4)	(7.3)
£52.9	£6.8

4. Net assets of the group including investments at market or directors' valuation at 31st March 1985 were £345 million (1984: 475 million). The decrease mainly reflects a decline in the value of investments including the investment in Johnson Matthey but also reflects Charter's share of losses incurred by Cape.

5. *Abridged account*
The information shown above in respect of the year ended 31st March 1984 is extracted from the full annual accounts for that year which have been audited and filed with the Registrar of Companies. The report of the auditors on these accounts was unqualified.

FINAL DIVIDEND AND ANNUAL REPORT

The board of directors has today resolved to recommend to the annual general meeting intended to be held on 5th September 1985 a final dividend of 7.75p per share in respect of the year ended 30 June 1985 (£1984-85) of 25p.

This dividend will be payable to shareholders registered in the books of the company at the close of business on 26 July 1985 to persons presenting appropriate evidence of their entitlement to the dividend. The dividend will be paid by cheque or cash to those who so request. Dividend warrants may also be issued to holders of shares no. 41 detached from shares with names to bearer. With the interim dividend of 5.75p per share paid on 10th January 1985, the total dividend for the year will be 11.0p per share, equivalent to 15.71428p with associated tax credit in 1984/1985; 11.0p, equivalent to 15.71428p with associated tax credit). Dividend warrants will be posted on or about 6th October 1985.

The annual report and accounts will be posted to members on or about 12th August 1985.

By Order of the Board
Charles Consolidated P.L.C.
E. G. Rudland, Secretary

E.C. Rudling, Secretary

BUSINESS LAW

Key decision on franchising awaited

By A. H. HERMANN, Legal Correspondent

KENTUCKY FRIED Chicken, so we are told, is just a sign of things to come.

Franchising was almost unknown in Europe at the beginning of the 1970s when, in the U.S. it suddenly mushroomed into a major form of the retail and service trades. Since then the spores have been carried by transatlantic winds to Europe, so that there are 500 franchising organisations with 25,000 shops now operating in France, where this form of business has reached 8 per cent of the total retail turnover.

Even in 1982 Germany recorded 200 franchising organisations with 120,000 outlets and a turnover of DM 100bn. A similar expansion took place in other member states of the EEC.

This should be no surprise for those who believe in the future of small businesses, and who see franchising as an established product, and with it the know-how and promotional backing, is the ideal way to enter business life for someone without previous experience.

In spite of the rapid expansion of franchising and of its obvious advantages for the starting of small businesses, and not only in retailing, there is a great uncertainty about its position under EEC competition rules. Does it fall under the prohibition of restrictive agreement in paragraph 1 of Article 85? Can it be exempted under paragraph 3 of the same Article? Does it perhaps benefit from the Regulation 83/83 which exempts in bloc certain exclusive dealing agreements? No-one knows.

The Commission has been remarkably reticent so far, but we should learn soon as the German Federal Supreme Court is asking the European Court much the same questions in the case of Pronuptia.

Pronuptia de Paris is an organisation selling wedding dresses, with accessories and wedding gifts. Its Frankfurt headquarters opened a number of franchise outlets in Germany. One of its franchisees is Ingrid Schillig in Hamburg. Like others, she is obliged to pay a 10 per cent franchise fee on turnover to the Frankfurt company. She got into arrears, Pronuptia sued her, but Mrs Schillig answered with an EEC defence: she contended the court that the franchising agreement was invalid because it infringed Article 85 of the EEC Treaty, and that therefore she did not owe anything.

An appeal from this decision of the appeal court in Hamburg was made to the Federal Supreme Court, which referred it to Luxembourg. Last month,

Mr Verloren van Themaat, the Advocate-General assigned to the case, delivered his conclusions. He wants the court to answer the question in a way which would not prevent the further development of franchising except when it is grossly anti-competitive.

The court had, or could have had, the benefit of another opinion, published in the April issue of the European Law Review by Professor Roger T. Goebel of the Fordham Law School in New York. He, too, wants the court to treat Pronuptia gently. His voice is backed by the impossibility of agreeing without offering to create a franchising network in Europe and what types of contractual obligations may be included in a standard form of agreement without offending against the EEC rules.

American clients want to know whether their 70-80 page franchise agreements can be used

a good illustration of the importance which the European Court has as the only EEC institution capable of relatively quick decisions.

The Pronuptia contract allows the franchisee to use the Pronuptia de Paris brand name in his territory exclusively, promising that no other Pronuptia shop will be opened within that territory, for example in Hamburg, and that no Pronuptia products will be supplied to rival shops in the area. The franchisor undertakes to help with promotion and management of the business, its organisation and equipment, training of staff, purchasing and marketing.

The franchisee remains the owner of his business and alone bears the risks and profits resulting from it. He undertakes to sell Pronuptia products exclusively on the premises approved by the franchisor, and to conform with the style adopted by the organisation. He

choosing agreements.

The same would apply in the UK though a simple licence recommendation, without an evident attempt to force the franchisee to observe it, would pass scrutiny.

On the whole, the "rule of reason" established by the U.S. Supreme Court in 1977 tends to view franchising agreements as potentially pro-competitive as in law, by relatively small restrictions of competition within a particular brand, lead to a substantial increase of competition between different brands. This also seems to be the way of thinking adopted by Advocate-General van Themaat in his Opinion.

He sees many advantages in the agreements. The franchisor can expand the network of his outlets without any risk. The franchisee can start a business with an established product and a help by the know-how and publicity of the franchisor. Consumers benefit by the availability of products of known quality.

Mr van Themaat concludes that typical franchising agreements mostly keep within the bounds established by the European Court which held in several of its decisions that vertical agreements did not infringe Article 85 as long as they did not have horizontal effects, for example by preventing parallel imports.

He advises the court to rule that franchising agreements should be considered incompatible with EEC competition rules only if the franchisor has a dominant position in a substantial part of the Common Market, creates a monopolistic position and/or if the franchising contract prevents the movement of parallel imports and leads to an absolute protection of national markets. He does not think that Regulation 83/83 and its predecessor Regulation 67/67, on exclusive dealing, apply to franchising.

Together with the Commission and the French Government, the Advocate-General is of the opinion that there is a need for a block exemption which could define more precisely the restrictions which may be included in franchising contracts. But after the struggle experienced on the way to a patent law, perhaps we could do instead with a couple of European Court decisions duly inspired by the rule of reason.

* Case 161/84, opinion of June 1985: to be reported in the July issue of FT Business Law Brief.

Anti-trust agencies and courts have so far approached the problem of franchising on a case-to-case basis

over here. The only certainty, however, which an experienced anti-trust lawyer can offer is that there is no certainty.

American lawyers living in fear of anti-trust prosecutions and treble damage suits believe it to be their first duty to keep the client within the law. In the EEC this means to notify every potentially restrictive agreement to the Commission.

Unfortunately, that would not resolve their problems. The Commission would take years to make up its mind. Executives of the company concerned and their highly paid lawyers would spend much time in Brussels. Throughout these years of indecision — which might well amount to over a decade — the agreements continued with scores and perhaps hundreds of outlets would be potentially invalid. In the end the Commission might issue an over-cautious decision that could stifle any further development of franchising.

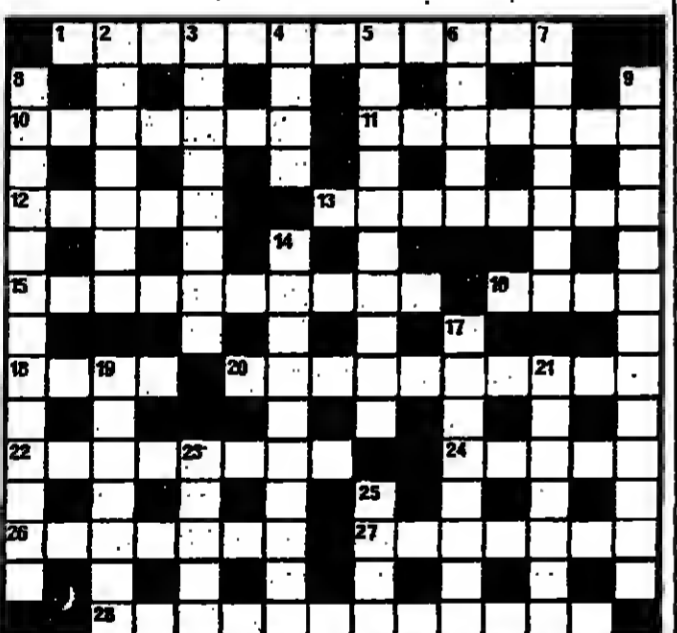
That is why Professor Goebel's hopes are pinned on a decision of the European Court in the Pronuptia case. It is also

further undertakes to buy 80 per cent of garments and accessories, as well as a certain quantity of party dresses, determined by the organisation. The franchisee must buy 20 per cent of goods obtained from third parties, not to abstain from competition with Pronuptia for the duration of the contract and for one year after its termination. His business may not sell any other brand than Pronuptia, and he may not use the name of Pronuptia in any way.

In addition, the franchisee is obliged to pay a 10 per cent fee on his entire turnover, including goods obtained from third parties, not to abstain from competition with Pronuptia for the duration of the contract and for one year after its termination. His business may not sell any other brand than Pronuptia, and he may not use the name of Pronuptia in any way.

Antitrust agencies and courts in France, Germany, the UK and the U.S. have so far approached the problem of franchising on a case-to-case basis. All the same, one can distinguish certain general tendencies. These concern in the first place the inclusion of retail price maintenance obligations. The German Federal Supreme Court held in 1982 that the prohibition of RPM also applied to franchising agreements.

F.T. CROSSWORD PUZZLE No. 5772



- ACROSS
- In such a store one can take leave of the mind (12)
 - Superintendent like a bishop (7)
 - African Queen's victim that shot over the water (7)
 - The foreign money is what Antony uttered (5)
 - Well up, like a Lord's delivery? (8)
 - Stock fitting sold by Esau (10)
 - Author of "What to drink in Paris" (4)
 - Wild pear harvest (4)
 - Minimum of capital required for footwear at Harrods town (10)
 - Tourism suffering around this — it is shrinking (8)
 - Intended to have average time (5)
 - Stuff completed at tea-break (7)
 - Lacking of the Jutes? (7)
 - Get entire spy organisation thinking in rigid patterns (12)
- DOWN
- One who votes for German prince (7)
 - Bathes in mixture of strong drink (8)
 - Supports for driver in flower (4)
 - Meridional concomitants of (10)
 - Tithe partly forgotten, thankfully (5)
 - Overture played as one of three — or alone, possibly (7)
 - Firm has dance coming up, with speech to follow — joint effort needed (18)
 - Upright monument of tin god St Anne's converted (8)
 - Figure blacked out, use house-tile perhaps (10)
 - Pay for what unpires draws (8)
 - Lacking direction, has ambition diminished (7)
 - Mendelssohn's fourth ver-month? (7)
 - Partner to ruin? (5)
 - Flirtatious talk for bird (4)

Solution to Puzzle No. 5771

ACROSS

10. Jutes
12. Harrods
14. Esau
16. Antony
18. Jutes
20. Esau
22. Jutes
24. Harrods
26. Esau
28. Jutes

DOWN

1. Jutes
3. Esau
5. Antony
7. Jutes
9. Esau
11. Jutes
13. Esau
15. Antony
17. Jutes
19. Esau
21. Jutes
23. Esau
25. Antony
27. Jutes

INVEST IN 50,000 BETTER TOMORROWS!

50,000 people in the United Kingdom suffer from progressively paralyzing MULTIPLE SCLEROSIS — the cause and cure of which are still unknown — HELP US BRING THEM RELIEF AND HOPE.

We need your donation to enable us to continue our work for the CARE and WELFARE OF MULTIPLE SCLEROSIS sufferers and to continue our commitment to find the cause and cure of MULTIPLE SCLEROSIS through MEDICAL RESEARCH.

Please help — Send a donation today to:

Room F.1 The Multiple Sclerosis Society, 1 G.B. and N.I.

288, Strand, London WC2R 2EJ

Fulham, London SW6 6NE

APPOINTMENTS

Ellis and Everard managing director

ELLIS AND EVERARD has appointed Mr Ken Hoag as group managing director from November 1, in succession to Mr David Walsh who is retiring. Mr Peter Wood has been appointed deputy managing director from November 1.

Mr Paul Kirby has been appointed managing director of CAR CARE PLAN (HOLDINGS). Mr Kirby comes to Car Plan after nearly 20 years with CCP's parent, Provident Financial Group of Bradford, latterly as managing director of Practical Credit Services. Mr Peter Dodd, previously sales director for the north of England, becomes manufacturing and national account services director. Mr Derek Brooks, Midlands sales director, takes on additional responsibility for the north. Mr Peter West Partridge and Mr Paul Kirby have resigned.

Mr Alan Onions, County surveyor, Staffordshire CC, has been elected chairman of the INSTITUTION OF HIGHWAYS AND TRANSPORTATION. His term of office will run until July 1986.

Mr John Grenier, principal of the London School of Accountancy, has been elected chairman of the BRITISH MANAGEMENT INSTITUTE. His term of office will run until July 1986.

Mr G. I. Buchanan has been appointed to the board of KONGSBERG.

Mr M. J. Barber, Mr D. S. Haver, Mr D. A. R. Hill and Mr K. J. Murren have been appointed directors of M. W. MARSHALL (STERLING) DEPOSITS, a member of the Merchants Bank Group.

Mr Brian Appleton has been appointed a non-executive director of A.E. He is chairman of ICI's agricultural division.

POWELL DUFFRYN has appointed Mr Rex Burke as managing director of Hamworthy Engineering, its engineering subsidiary based in Poole, Dorset. He succeeds Mr R. C. Peach, who will relinquish his post on August 1 in preparation for his scheduled retirement in 1986. Mr Peach will remain a director of Hamworthy Engineering responsible for new products, research and development.

MANCHESTER SHIP CANAL COMPANY has appointed Mr Nicholas Berry and Mr William Hopper directors from August 1 in place of Sir William Mather and Mr John Stuart, who are retiring. Mr Berry is chairman and managing director of Harrop, Mr Hopper is a consultant with Morgan Grenfell and was until 1984 a member of the European Parliament representing

ing the Greater Manchester West constituency.

BRADSTOCK BLUNT (NORTHERN) has appointed Mr S. W. Calvert an associate director from August 1.

Mr Keith Elliott has been appointed contracts manager at BECHTEL in London to succeed Mr Don Greenfield, who is returning to the U.S.

Mr Malcolm Little has been appointed managing director of Northern Foods milling and baking division, from November 1.

MARS ELECTRONICS has appointed Mr Chris Dalley as systems division manager from September 1. He is currently sales and marketing director of Prestcold.

Mr Allan Onions, County surveyor, Staffordshire CC, has been elected chairman of the INSTITUTION OF HIGHWAYS AND TRANSPORTATION. His term of office will run until July 1986.

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FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tr. Mgrs. (S) 01-428 7173

Unit Trust	Manager	Investment	Assets
Abbey Bond	Abbey Unit Tr. Mgrs. (S)	Bond	£100m
Abbey Equity	Abbey Unit Tr. Mgrs. (S)	Equity	£100m
Abbey Income	Abbey Unit Tr. Mgrs. (S)	Income	£100m
Abbey Property	Abbey Unit Tr. Mgrs. (S)	Property	£100m
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UNIT TRUSTS

American Sav. Growth	104.6	59.0
Capital Growth	104.6	59.0
Consolidated Trust	104.6	59.0
First F. L. Fund	104.6	59.0

Bank of Montreal & Co. Ltd.
Selling Agent

Unit Fund July 77	104.6	59.0
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Financial Times Insurance

مکتبہ اسلامیہ

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INSURANCE, OVERSEAS & MONEY FUNDS

Table with multiple columns listing various insurance and overseas funds, including company names, fund names, and numerical values.

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OFFSHORE AND OVERSEAS

COMMODITIES AND AGRICULTURE

Brazil suspends soya exports

BY ANDREW WHITLEY IN RIO DE JANEIRO

INADEQUATE DOMESTIC supplies have compelled the Brazilian Government to announce the suspension of soya bean and soya oil exports, which have been running at record levels this year.

Cacex, the foreign trade authority, said on Tuesday evening that soya bean registrations so far this year had reached 3.7m tonnes, up from 1.6m tonnes in the same period of 1984. Oil export registrations, at 1m tonnes, are 100,000 tonnes higher than last year.

But the root cause of this action is not so much export success as domestic price controls on the crushing industry. The Brazilian Association of Vegetable Oil Industries (ABIOVE) has been complaining that authorised retail prices are well below production costs.

In addition, soya meal exports have been disappointing as world prices continue to fall. In response the crushers have cut back on the output of both meal and oil, while producers

have boosted their exports of beans.

Soya oil is an important basic commodity for domestic consumption in Brazil, with a heavy weighting in the cost of living index. Fears of domestic shortage, such as are currently developing, are thus a matter of considerable concern for the government.

The Cacex decision to suspend exports of beans and oil followed a letter from the special Prices and Supply Secretariat requesting the move.

Sr Joao Luiz da Silva Dias, the Prices Secretary, also asked for the repurchase of between 250,000 and 350,000 tonnes of beans and oil and a delay in shipment until after next February of oil and meal exports registered under the country's drawback scheme.

The crushing industry, meanwhile, will be disappointed by Tuesday's announcement from the Inter-Ministerial Prices Council of a 1.5 per cent increase in the price of soya oil from next Monday. ABIOVE had said it needed 23

per cent just to cover costs. On the farms soya producers, until recently the most successful of Brazil's farmers, have been up in arms over reductions in subsidies, official credit, and a lack of government support.

Our Chicago correspondent writes: The Brazilian announcement had little effect on prices at the opening of soya bean futures trading in Chicago yesterday. Prices remained in their recent downturn. Traders said they expected little effect upon the soya bean market in the rest of the world.

"The whole problem is that of excessive supply," noted Mr James Heiligenstein, first vice president for traders, Blount, Ellis and Low in Milwaukee. He expects prices to stay around \$6 per bushel for the foreseeable future. There is just so much out there on the supply side and so much demand.

What Brazil is doing is what they always have done from time to time: refuse to export anything," Mr Heiligenstein believes the recent action by the Brazilian Government is due to over-selling their position in the world market.

U.S. crude oil stocks at 3-month low

By Our Washington Staff

U.S. STOCKS of crude oil plunged last week by over 7.5m barrels to their lowest level in three months, according to the American Petroleum Institute (API).

Stocks of crude stood at 334.5m barrels, about 20.3m barrels below the figure for the same week in 1984. The API reported a 2.6m barrel drop in petrol stocks last week to 219.6m barrels. This time last year stocks totalled 245.9m barrels.

Distillate fuel stocks rose during the week to 113.2m barrels, about 9.9m barrels behind 1984. Stocks of residual fuel oil were 41.6m barrels, lagging behind last year's levels by 10.2m barrels.

The API estimated imports of crude oil last week at 1.0m barrels, compared with 3.5m barrels for the same week in 1984.

THE EEC yesterday authorised exports of 27,750 tonnes of white sugar, an export rebate of European currency units 45.23 per 100 kilos. It refused offers for raws.

Traders said the tender result was in line with forecasts and showed that the EEC market management committee was once again sticking by its refusal to raise the subsidy level beyond Ecu 45.23.

The previous urgent need on the part of the EEC market management committee to raise the subsidies has receded, and traders are reluctant to make good the difference between the EEC's subsidy level and current market prices.

Meanwhile analysts F. O. Licht forecast the EEC sugar production would fall by 400,000 tonnes (white value) this season owing to lower yields and less favourable weather.

FISH LANDINGS in the UK fell by 4 per cent last year to 791,000 tonnes, according to figures published yesterday by the Ministry of Agriculture, Fisheries and Food. But the value of the catch was up 5 per cent to £223m.

The biggest fall in landings was in England and Wales, down from 284,000 tonnes to 268,000 tonnes. The Scottish catch was up from 504,000 tonnes to 523,000 tonnes.

EEC grain deal catches traders off guard

BY IVO DAWNAY IN BRUSSELS

EEC GRAIN traders yesterday greeted the European Commission's new management measures for the 1985-86 cereals regime with a mixture of confusion and some anger.

Many traders were caught off-guard by the special provisions for carry-over payments for grain in private stores, which are made at the year-end to compensate for the sharp drop in prices that occurs after the removal of increments accumulated over previous months.

Earlier warnings from the Commission that carry-over payments could not be made in the absence of a farm ministers' decision on the regime had led many to sell off their stocks.

Yesterday trade associations and commodity news agencies in Brussels and the UK reported a flood of telephone calls seeking clarification of the position.

A Commission official explained yesterday that the Commission had proposed a carry-over payment when tabling its final compromise in June. The terms of the carry-over deal printed on Monday

— part of the tacit accord between the Commission and West Germany aimed at ending the cereals row — required the agreement of member states to the carry-over scheme.

Consequently, the phrasing for the Commission scheme insists that it proposes only to "invite" member states to make the payments, which it will authorise. The payment would be calculated by the methods laid out in the June proposal.

● Delays on payments for sales into intervention to be reduced from 120-140 days to 90-120 days. Delays will be cut to 60 days for "small producers," a term yet to be defined.

● Member states may also authorise carry-over payments on a provisional basis, calculated under the terms of the last Commission proposal in June.

● Special intervention payments will be made at the end of the year (April-May) for 3m tonnes of bread-making quality wheat at 5 per cent above the current intervention price, which has been dropped 1.5 per cent from the 1984-85 level. To qualify the wheat will need a protein content of 11 per cent.

● A Hasberg rating of 200 will have to be achieved in the ability (doughmaking) test.

● No modification will be made on humidity standards for intervention purchases during the 1985-86 marketing year.

taking into account the intervention price in August.

The delicate wording cannot disguise the fact, however, that no member state is likely to pass up the opportunity of making payments to its farmers, refundable from the Commission. The prospects of any legal problems are slim.

It also emerged yesterday that the management moves were only agreed after a stormy internal debate within the 14-

member Commission. Several Commissioners had argued that there was no need to make any concessions to Germany as Brussels' right to buy through a 1.5 per cent cereals price cut was legally unassailable.

Others argued successfully, however, that a peace deal was needed to smooth tensions prior to a major debate on the future of the cereals regime this autumn.

There are also widely divergent views as to the cost of the final package. Officially the Commission claims that the deal is price neutral for the Community's Ecu 20bn (£12bn) farm budget for 1985-86. However, one senior official accepted that the special intervention arrangement for 3m tonnes of a new intermediate grade of breadmaking wheat could add a maximum of Ecu 24m to costs.

A gloomy analysis claimed that the total package — taking into account additional costs through the reduction in payment delays — could be as much as Ecu 370m.

This is based on an assumption that about 10m tonnes are eligible for carry-over payments, at Ecu 30.4 per tonne, to which must be added lost interest charges through the intended delay periods of about Ecu 40m and, perhaps, Ecu 30m for the new end-year intervention scheme.

These figures were strongly contested by the Commission, which claimed that allowance for carry-over has already been made in the Community's farm budget.

Upturn seen in Latin American earnings

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

THE RATE of growth in Latin America's receipts from non-oil commodities is expected to dip this year but pick up strongly from next year till the end of the decade. This is the principal conclusion of a survey of the commodity export prospects of the region just published by the Inter-American Development Bank.

The nominal dollar earnings from commodities should increase by an average annual rate of 13 per cent in the second half of this decade, the survey says.

"In 1986, as the stocks for many of the commodities reach normal levels, market prices should recover and, notwithstanding an anticipated deceleration of economic activity in the industrialised countries in 1985-86, the rate of growth of the region's com-

modity exports is expected to accelerate and peak at above 16 per cent in both 1987 and 1988.

The principal stimulus for increased commodity exports will come from coffee and soya beans whose markets are expected to improve most through the rest of the decade, rising by 6.5 and 5 per cent a year respectively.

modity exports is expected to accelerate and peak at above 16 per cent in both 1987 and 1988.

The principal stimulus for increased commodity exports will come from coffee and soya beans whose markets are expected to improve most through the rest of the decade, rising by 6.5 and 5 per cent a year respectively.

modity exports is expected to accelerate and peak at above 16 per cent in both 1987 and 1988.

A rude interruption to a record year

BY ANDREW GOWERS

BRAZIL'S TEMPORARY suspension of soya exports will evoke painful memories for the country's traders of the confusion of last year. It also marks a brusque interruption in what has already turned out to be a record year for exports.

Just 12 months ago Brazil's vital soya trade—consistently one of the country's top two foreign exchange earners, along with coffee, in recent years—was in turmoil. Production was falling well short of expectations.

To make matters worse, Cacex—Brazil's foreign trade authority—was operating an erratic "stop-go" policy of export quotas which prevented exporters from capitalising fully on the record prices then prevailing on the Chicago market.

Earlier this year, however, the picture was completely different. The 1985 soya bean crop is unanimously reckoned to be a record: estimates range from 16m to 17.6m tonnes, all far above the previous peak of 15.1m tonnes reached in 1980. And late last year Cacex

removed all the brakes from exports both of beans and of soya products. As a result, shipments to a wide variety of destinations roared ahead. The flood of Brazilian production has been an important factor behind the steady decline in world soya prices.

While Cacex said it would reverse the export position when registrations reached 2m tonnes, it showed no sign earlier this year of relaxing them. But there were clearly limits even in the new, more free-market atmosphere.

There appear to have been four main reasons for the authorities' somewhat relaxed attitude to exports this year:

● Cacex knew the crop was large, and could therefore afford to relent somewhat on its previous strict insistence that exports should only be allowed when supplies of oil to the domestic market at reasonable prices are assured.

● The Government and Cacex have come under tremendous pressure from farmers and traders to permit a maximum amount of sales abroad. This

is largely because the domestic soya bean crushing industry has not been an eager buyer owing to poor crushing margins, and Brazil's astronomically high interest rates have driven the costs of carrying stocks to punitive levels.

"This year prices have come down and people have rushed to sell because they're up to their necks in debt," said one experienced trader.

● The pressure on Brazil to export as much as possible in order to generate foreign exchange and keep up with debt payments is unrelenting.

● Finally, the Government may well have realised that its policy of holding back exports actually lost it substantial amounts of money last year.

Although the ostensible reason for its relaxed attitude to exports this year was the domestic market supplied with cooking oil, the Government was clearly also interested in trying to drive world market prices even higher.

When they expected exports in February 1986 the authorities complained that a cartel

of foreign grain companies was conspiring to force prices down. Their appetite was also whetted by the huge profits which Brazil made from the boom in orange Florida frosts last year.

What the authorities did not reckon with was rising U.S. production, following the end of limits on output under the Payment-in-Kind programme.

This robbed Brazil of customers and eventually served to push prices down in any case. As a result, it is estimated that the country sacrificed at least \$500m in foreign exchange earnings.

"Cacex really screwed up last year," said a trader. "They thought they could manipulate the world market by withdrawing export registrations, but they only lost market share. Then, when they came back, prices plunged. It was completely counterproductive."

This time round, Brazil's motivation for acting on soya bean exports seems altogether more clear-cut, and possibly short-lived.

LONDON MARKETS

Coffee futures resumed their downward trend on the London market yesterday. The September position finished £17 down at £1,631 a tonne, easily wiping out Tuesday's modest technical rally. Traders said the market's tone was dominated by sterling's strength against the dollar, which they said had frustrated hopes of the rally being maintained.

Fundamental factors remain bearish, however, supplies are plentiful and there has still been no damaging frost in the Brazilian coffee belt.

The cocoa market was quiet with the September futures quotation slipping back to £6 to £1,677 a tonne.

LME prices supplied by Amalgamated Metal Trading

ALUMINIUM

Unofficial + or High/Low
close (m.t.)
Cash 124.5 -5.5
3 months 75.5 -3.0 74.747

Official clearing (m.t.): Cash 73.5 (73.5), three months 75.5 (75.5), settlement 73.5 (73.5). Final Korb close 73.5.

Turnover: 28,475 tonnes.

COPPER

Higher grade Unofficial + or High/Low
close (m.t.)
Cash 104.5 -1.5 104.1/104.1
3 months 102.0 -4.5 101.1/101.1

Official clearing (m.t.): Cash 104.0 (104.0), three months 102.0 (102.0), settlement 104.0 (104.0). Final Korb close 104.0.

Turnover: 2,470 tonnes. U.S. Spot: 150.00-150.00 cents per pound.

LEAD

Unofficial + or High/Low
close (m.t.)
Cash 264.5 -5.5 -5.0 262.2/262.2
3 months 263.5 -5.0 -5.0 262.2/262.2

Official clearing (m.t.): Cash 262.5 (262.5), three months 263.5 (263.5), settlement 262.5 (262.5). Final Korb close 262.5.

Turnover: 7,000 tonnes. U.S. Spot: 150.00-150.00 cents per pound.

NICKEL

Unofficial + or High/Low
close (m.t.)
Cash 354.5 -5.5 -5.0 350.0/350.0
3 months 354.5 -5.5 -5.0 350.0/350.0

Official clearing (m.t.): Cash 352.5 (352.5), three months 354.5 (354.5), settlement 352.5 (352.5). Final Korb close 352.5.

Turnover: 524 tonnes.

ZINC

Unofficial + or High/Low
close (m.t.)
Cash 229.5 -5.5 -5.0 224.0/224.0
3 months 229.5 -5.5 -5.0 224.0/224.0

Official clearing (m.t.): Cash 227.5 (227.5), three months 229.5 (229.5), settlement 227.5 (227.5). Final Korb close 227.5.

Turnover: 10,100 tonnes. U.S. Prime Western: 41.50-44.00 cents per pound.

MAIN PRICE CHANGES

(In tonnes unless otherwise stated)

METALS	July 17 + or -	Months	1985	ago
Aluminium	£1100	-	£1100	
Cash	104.5	-1.5	104.1/104.1	
3 months	102.0	-4.5	101.1/101.1	
Gold	£385.75	+0.4	£386.25	
3 months	£385.75	+0.4	£386.25	
Nickel	£275.75	-2.5	£273.25	
3 months	£275.75	-2.5	£273.25	
Palladium	£35.75	+1.5	£37.25	
3 months	£35.75	+1.5	£37.25	
Platinum	£275.75	+5.5	£281.25	
3 months	£275.75	+5.5	£281.25	
Silver	£440.50	+0.5	£441.00	
3 months	£440.50	+0.5	£441.00	
Tungsten	£57.50	-5.0	£52.50	
3 months	£57.50	-5.0	£52.50	
Vanadium	£105.00	-1.5	£103.50	
3 months	£105.00	-1.5	£103.50	
Production	£105.00	-1.5	£103.50	

TIN

High grade Unofficial + or High/Low
close (m.t.)
Cash 3055.0 -5.0
3 months 3055.0 -5.0 3050.0/3050.0

Official clearing (m.t.): Cash 3060.0 (3060.0), three months 3055.0 (3055.0), settlement 3060.0 (3060.0). Final Korb close 3060.0.

Turnover: 2,055 tonnes. Straits time: 30,650 kito.

GOLD

Gold rose \$5 to \$329.32 on the London bullion market yesterday. It closed at \$318.37, the lowest level of the day, and was held at \$317.70 in the morning and \$325.80 in the afternoon. The market broke through resistance at around \$325, and touched a peak of \$329.32 as the dollar advanced against the pound. Trading was nervous ahead of today's revised second quarter U.S. GNP figure, and an account about President Reagan's health.

GOLD BULLION (fine ounce) July 18

Close 558.6 (558.6) (558.6) 558.6
Opening 558.6 (558.6) (558.6) 558.6
Min/Max 558.6 (558.6) (558.6) 558.6

GOLD AND PLATINUM COINS

18 Karat 558.6 (558.6) (558.6) 558.6
14 Karat 558.6 (558.6) (558.6) 558.6
10 Karat 558.6 (558.6) (558.6) 558.6
9 Karat 558.6 (558.6) (558.6) 558.6
8 Karat 558.6 (558.6) (558.6) 558.6
7 Karat 558.6 (558.6) (558.6) 558.6
6 Karat 558.6 (558.6) (558.6) 558.6
5 Karat 558.6 (558.6) (558.6) 558.6
4 Karat 558.6 (558.6) (558.6) 558.6
3 Karat 558.6 (558.6) (558.6) 558.6
2 Karat 558.6 (558.6) (558.6) 558.6
1 Karat 558.6 (558.6) (558.6) 558.6

SILVER

Silver was fixed 2p an ounce higher for spot delivery in the London bullion market yesterday at £441.00. U.S. cent equivalents of the falling levels were spot 62.5c, up 14c; three-month 62.5c, up 14c; and 12-month 62.5c, up 14c. The metal opened at £440.50 (616.81c) and closed at £441.00 (617.31c).

SILVER

Close 441.0 (441.0) (441.0) 441.0
Opening 441.0 (441.0) (441.0) 441.0
Min/Max 441.0 (441.0) (441.0) 441.0

COTTON

Unofficial + or High/Low
close (m.t.)
Cash 22.5 -1.5 21.0/21.0
3 months 22.5 -1.5 21.0/21.0

GRAINS

The market reached £100 up as physical trade firmed after optimism over a better price review. Values failed to hold and early trading at the day's lows, reports Murepax.

WHEAT

Standard
Cash 1005.7 -0.0 1005.7/1005.7
3 months 1005.7 -0.0 1005.7/1005.7

Official clearing (m.t.): Cash 1005.7 (1005.7), three months 1005.7 (1005.7), settlement 1005.7 (1005.7). Final Korb close 1005.7.

Turnover: 2,055 tonnes. Straits time: 30,650 kito.

BARLEY

Standard
Cash 1005.7 -0.0 1005.7/1005.7
3 months 1005.7 -0.0 1005.7/1005.7

Official clearing (m.t.): Cash 1005.7 (1005.7), three months 1005.7 (1005.7), settlement 1005.7 (1005.7). Final Korb close 1005.7.

Turnover: 2,055 tonnes. Straits time: 30,650 kito.

RICE

Standard
Cash 1005.7 -0.0 1005.7/1005.7
3 months 1005.7 -0.0 1005.7/1005.7

Official clearing (m.t.): Cash 1005.7 (1005.7), three months 1005.7 (1005.7), settlement 1005.7 (1005.7). Final Korb close 1005.7.

Turnover: 2,055 tonnes. Straits time: 30,650 kito.

SOYABEANS

Standard
Cash 1005.7 -0.0 1005.7/1005.7
3 months 1005.7 -0.0 1005.7/1005.7

Official clearing (m.t.): Cash 1005.7 (1005.7), three months 1005.7 (1005.7), settlement 1005.7 (1005.7). Final Korb close 1005.7.

Turnover: 2,055 tonnes. Straits time: 30,650 kito.

MAIZE

Standard
Cash 1005.7 -0.0 1005.7/1005.7
3 months 1005.7 -0.0 1005.7/1005.7

Official clearing (m.t.): Cash 1005.7 (1005.7), three months 1005.7 (1005.7), settlement 1005.7 (1005.7). Final Korb close 1005.7.

Turnover: 2,055 tonnes. Straits time: 30,650 kito.

SUGAR

Standard
Cash 1005.7 -0.0 1005.7/1005.7
3 months 1005.7 -0.0 1005.7/1005.7

Official clearing (m.t.): Cash 1005.7 (1005.7), three months 1005.7 (1005.7), settlement 1005.7 (1005.7). Final Korb close 1005.7.

Turnover: 2,055 tonnes. Straits time: 30,650 kito.

COCOA

Standard
Cash 1005.7 -0.0 1005.7/1005.7
3 months 1005.7 -0.0 1005.7/1005.7

Official clearing (m.t.): Cash 1005.7 (1005.7), three months 1005.7 (1005.7), settlement 1005.7 (1005.7). Final Korb close 1005.7.

Turnover: 2,055 tonnes. Straits time: 30,650 kito.

RUBBER

Standard
Cash 1005.7 -0.0 1005.7/1005.7
3 months 1005.7 -0.0 1005.7/1005.7

Official clearing (m.t.): Cash 1005.7 (1005.7), three months 1005.7 (1005.7), settlement 1005.7 (1005.7). Final Korb close 1005.7.

Turnover: 2,055 tonnes. Straits time: 30,650 kito.

INDICES

FINANCIAL TIMES

July 16/17/18 1985
267.46 266.95 263.60 269.76
(Base: July 1 1982 = 100)

REUTERS

July 16/17/18 1985
1077.5 1079.4 1174.1 1092.8
(Base: September 18 1931 = 100)

DOW JONES

July 16/17/18 1985
1116.73 1116.73 1116.73 1116.73
(Base: December 31 1927 = 100)

COFFEE

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Volcker helps dollar off lows

The dollar fell to its lowest level for about a year against the D-mark, and for 15 months in terms of sterling, on the foreign exchange yesterday. President Reagan's health continued to give cause for concern, but the market's attention was generally focused on the testimony of Mr Paul Volcker, chairman of the Federal Reserve Board, to a Congressional committee, and today's revised figure on second-quarter gross national product. The central bank was encouraging lower interest rates without disturbing inflation, and also told the committee not to assume a further cut in the discount rate was in the offing.

The dollar fell to DM 2.8575 from DM 2.8690; FF 8.61 from FF 8.7575; SwFr 2.3335 from SwFr 2.3390; and Y36.45 from

Y237.70. On Bank of England figures its index fell to 1267 from 1382. Sterling touched a peak of £1.42 as the differential between interest rates in London and other major financial centres continued to attract overseas funds. The pound closed unchanged at 1.4205, DM 4.0050 and FF 12.1650, but eased to SwFr 2.3250 from SwFr 2.3320, and rose to Y334 from Y330.

D-MARK - Trading range against the dollar in 1985 is 2.4510 to 2.8375. June average 2.6630. Exchange rate index 124.6 against 120.2 six months ago. The D-mark rose sharply against the dollar in Frankfurt, closing at its best level for a year. At the close of trading the dollar had fallen to DM 2.8510 from DM 2.8535 on Tuesday.

STERLING INDEX

July 17 Previous

8.30 am 83.1 83.2

9.00 am 83.2 83.1

11.00 am 83.4 83.4

11.00 am 83.5 83.1

Noon 84.0 83.2

1.00 pm 83.9 83.3

2.00 pm 83.1 83.1

3.00 pm 83.7 83.1

4.00 pm 83.8 83.1

£ IN NEW YORK

July 17 Previous

8.30 am 81.4070-1.0881 81.3670-1.3880

1.00 pm 81.4510-1.0910 81.3610-1.3880

11.00 am 81.4510-1.0910 81.3610-1.3880

12.00 pm 81.4510-1.0910 81.3610-1.3880

1.00 pm 81.4510-1.0910 81.3610-1.3880

2.00 pm 81.4510-1.0910 81.3610-1.3880

3.00 pm 81.4510-1.0910 81.3610-1.3880

4.00 pm 81.4510-1.0910 81.3610-1.3880

Forward premiums and discounts apply to the U.S. dollar

Changes are for £100, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EMS EUROPEAN CURRENCY UNIT RATES

July 17 Previous

8.30 am 81.4070-1.0881 81.3670-1.3880

1.00 pm 81.4510-1.0910 81.3610-1.3880

11.00 am 81.4510-1.0910 81.3610-1.3880

12.00 pm 81.4510-1.0910 81.3610-1.3880

1.00 pm 81.4510-1.0910 81.3610-1.3880

2.00 pm 81.4510-1.0910 81.3610-1.3880

3.00 pm 81.4510-1.0910 81.3610-1.3880

4.00 pm 81.4510-1.0910 81.3610-1.3880

Forward premiums and discounts apply to the U.S. dollar

Changes are for £100, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

POUND SPOT - FORWARD AGAINST POUND

July 17 Previous

8.30 am 81.4070-1.0881 81.3670-1.3880

1.00 pm 81.4510-1.0910 81.3610-1.3880

11.00 am 81.4510-1.0910 81.3610-1.3880

12.00 pm 81.4510-1.0910 81.3610-1.3880

1.00 pm 81.4510-1.0910 81.3610-1.3880

2.00 pm 81.4510-1.0910 81.3610-1.3880

3.00 pm 81.4510-1.0910 81.3610-1.3880

4.00 pm 81.4510-1.0910 81.3610-1.3880

Forward premiums and discounts apply to the U.S. dollar

Changes are for £100, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

CURRENCY MOVEMENTS

July 17 Previous

8.30 am 81.4070-1.0881 81.3670-1.3880

1.00 pm 81.4510-1.0910 81.3610-1.3880

11.00 am 81.4510-1.0910 81.3610-1.3880

12.00 pm 81.4510-1.0910 81.3610-1.3880

1.00 pm 81.4510-1.0910 81.3610-1.3880

2.00 pm 81.4510-1.0910 81.3610-1.3880

3.00 pm 81.4510-1.0910 81.3610-1.3880

4.00 pm 81.4510-1.0910 81.3610-1.3880

Forward premiums and discounts apply to the U.S. dollar

Changes are for £100, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

July 17 Previous

8.30 am 81.4070-1.0881 81.3670-1.3880

1.00 pm 81.4510-1.0910 81.3610-1.3880

11.00 am 81.4510-1.0910 81.3610-1.3880

12.00 pm 81.4510-1.0910 81.3610-1.3880

1.00 pm 81.4510-1.0910 81.3610-1.3880

2.00 pm 81.4510-1.0910 81.3610-1.3880

3.00 pm 81.4510-1.0910 81.3610-1.3880

4.00 pm 81.4510-1.0910 81.3610-1.3880

Forward premiums and discounts apply to the U.S. dollar

Changes are for £100, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EURO-CURRENCY INTEREST RATES (Market closing rates)

July 17 Previous

8.30 am 81.4070-1.0881 81.3670-1.3880

1.00 pm 81.4510-1.0910 81.3610-1.3880

11.00 am 81.4510-1.0910 81.3610-1.3880

12.00 pm 81.4510-1.0910 81.3610-1.3880

1.00 pm 81.4510-1.0910 81.3610-1.3880

2.00 pm 81.4510-1.0910 81.3610-1.3880

3.00 pm 81.4510-1.0910 81.3610-1.3880

4.00 pm 81.4510-1.0910 81.3610-1.3880

Forward premiums and discounts apply to the U.S. dollar

Changes are for £100, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

MONEY MARKETS

July 17 Previous

8.30 am 81.4070-1.0881 81.3670-1.3880

1.00 pm 81.4510-1.0910 81.3610-1.3880

11.00 am 81.4510-1.0910 81.3610-1.3880

12.00 pm 81.4510-1.0910 81.3610-1.3880

1.00 pm 81.4510-1.0910 81.3610-1.3880

2.00 pm 81.4510-1.0910 81.3610-1.3880

3.00 pm 81.4510-1.0910 81.3610-1.3880

4.00 pm 81.4510-1.0910 81.3610-1.3880

Forward premiums and discounts apply to the U.S. dollar

Changes are for £100, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

FT LONDON INTERBANK FIXING

July 17 Previous

8.30 am 81.4070-1.0881 81.3670-1.3880

1.00 pm 81.4510-1.0910 81.3610-1.3880

11.00 am 81.4510-1.0910 81.3610-1.3880

12.00 pm 81.4510-1.0910 81.3610-1.3880

1.00 pm 81.4510-1.0910 81.3610-1.3880

2.00 pm 81.4510-1.0910 81.3610-1.3880

3.00 pm 81.4510-1.0910 81.3610-1.3880

4.00 pm 81.4510-1.0910 81.3610-1.3880

Forward premiums and discounts apply to the U.S. dollar

Changes are for £100, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

LONDON MONEY RATES

July 17 Previous

8.30 am 81.4070-1.0881 81.3670-1.3880

1.00 pm 81.4510-1.0910 81.3610-1.3880

11.00 am 81.4510-1.0910 81.3610-1.3880

12.00 pm 81.4510-1.0910 81.3610-1.3880

1.00 pm 81.4510-1.0910 81.3610-1.3880

2.00 pm 81.4510-1.0910 81.3610-1.3880

3.00 pm 81.4510-1.0910 81.3610-1.3880

4.00 pm 81.4510-1.0910 81.3610-1.3880

Forward premiums and discounts apply to the U.S. dollar

Changes are for £100, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

DISCOUNT HOUSES DEPOSIT AND BILL RATES

July 17 Previous

8.30 am 81.4070-1.0881 81.3670-1.3880

1.00 pm 81.4510-1.0910 81.3610-1.3880

11.00 am 81.4510-1.0910 81.3610-1.3880

12.00 pm 81.4510-1.0910 81.3610-1.3880

1.00 pm 81.4510-1.0910 81.3610-1.3880

2.00 pm 81.4510-1.0910 81.3610-1.3880

3.00 pm 81.4510-1.0910 81.3610-1.3880

4.00 pm 81.4510-1.0910 81.3610-1.3880

Forward premiums and discounts apply to the U.S. dollar

Changes are for £100, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

MONEY RATES

July 17 Previous

8.30 am 81.4070-1.0881 81.3670-1.3880

1.00 pm 81.4510-1.0910 81.3610-1.3880

11.00 am 81.4510-1.0910 81.3610-1.3880

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Forward premiums and discounts apply to the U.S. dollar

Changes are for £100, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

TREASURY BONDS

July 17 Previous

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MINES

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in sterling.

Alcan Inc. (US)	750	Alcoa	390	+10
Craig & Rose	750	CPH Indus	50	
Fidelity Pers	25	Cardinal Ind	134	
Heaton Ind	62	Outboard Corp	65	
Intl Maco Steel	725	Intl R. & H.J.	50	
Intl Sm. En.	650	Heston Indus	18	
		Indus. & Com.	47	
Feb 11% 1980	£2000+	Irish (W & R)	80	
Nat. 0% 84/85	£7500+	Unicore	87	
Oct 9% 92/02	£1000+			

"Recent Issues" and "Rights" Page 42
(International Edition Page 32)

This service is available to every Company dealt in on the Stock Exchanges throughout the United Kingdom for a fee of £200 per annum for each security.

RECENT ISSUES

CANADA

CANADA

July 17			July 17			July 17			July 17			July 17			July 17			July 17			July 17					
Price	±	or	Price	±	or	Price	±	or	Price	±	or	Price	±	or	Price	±	or	Price	±	or	Price	±	or			
Doll			Doll			Doll			Doll			Doll			Doll			Doll			Doll					
Creditanstalt	356	+8	ABO-Tel	125	-0.5	Bergens Bank	144	-1	Gen. Prop. Trust	2.22	+0.05	MHI	351	+8	4800	Abn Pro	\$17.75	+1.75	92400	C Davis A	56	-1	1950	Infant Gen	\$20.25	+2.25
Gesellschaft	356	+8	Allianz Veri	215	-0.5	Borgerbank	450	-1	Gen. Prop. Trust	2.22	+0.05	Mitail	428	+6	9020	Acadia	\$11.75	+1.75	122600	Charr B	57	-1	9130	Infant Gen	\$20.25	+2.25
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Nasdaq national market 2.30pm prices

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LONDON Chief price changes
(in pence unless otherwise indicated)

RISES			FALLS		
Exch. 11pc 1990	£1004 + ½	Laing (J)	242 +		
Tr 134pc 2004-08	£1294 + ½	Meggitt	93 +		
Tr 24pc 11 2001	£994 + ½	Plessey	146 +		
BPB Ind	268 + 10	Portman Mining	194 +		
Berkeley Tech	100 + 15	Rank Org	370 +		
Boots	192 + 6				
Bougainville	99 + 8				
British Borneo	348 + 15	Burn. & Hallam	*20 -		
Burmah Oil	275 + 9	Burton	448 -		
Car Bayd	247 + 8	Debenham	322 -		
Cash	424 + 12	Hawker Siddeley	363 -		
Exxel	350 + 12	Noltou	46 -		
Freemans	266 + 8	N. Sea & Gen Oil	90 -		
GEC	174 + 8	Phillips Lamps	£104 -		
Harris Queens	242 + 9	Price	76 -		
Heworth (J)	218 + 8				
		* Total at suspension			

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AMEX COMPOSITE CLOSING PRICES

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Continued on Page 33

FINANCIAL TIMES

WORLD STOCK MARKETS

WALL STREET

Fed move inspires advance

THE DECISION by the Federal Reserve to widen its targets for U.S. money supply, giving itself room to ease credit policy if the economy continues to falter, found a welcome response on Wall Street yesterday, writes Terry Byland in New York.

The stock market bounded to fresh peaks encouraged by corporate results that exceeded expectations.

At the close the Dow Jones industrial average was 10.08 up at 1,357.97, a record.

The response from the credit market was more cautious, with early gains lost after Mr Paul Volcker, chairman of the Fed, dampened hopes of an early cut in the federal discount rate.

The advance in the stock market gathered pace at mid-session. Corporate results for the second quarter continued to pass off considerably better than feared, with technology and transport stocks providing a strong lead. The only shock of the day came in the banking sector, where BankAmerica, until recently the largest bank in the U.S. disclosed a loss of \$338m for the second quarter.

Stock prices opened strongly higher and after a brief pause for profit-taking, resumed their advance. The blue chips dominated at first, but gains later spread across the full range of the market. New peaks in stock index futures encouraged investors.

Motor stocks, however, were restrained by nervousness ahead of results. General Motors at \$89 added only 5/8 and Ford at \$43 1/2, only 5/8. Chemicals, too, showed only modest gains, and pharmaceuticals made little further response to the dollar's weakness.

But computer issues stood out strongly as corporate results supported the restoration of investor confidence prompted by profits statements from IBM and Honeywell.

IBM, 5 1/4 up at \$129 1/4, has now risen by nearly 5 per cent since Monday. Big Blue's second-quarter figures were no worse than expected, and Wall Street analysts are now recommending the stock because delivery of IBM's new Sierra computers has been speeded up.

AT&T, in a head-on conflict with IBM both in telecommunications and computers, gained 5/8 to \$22 1/2 after news of lower earnings justified the recent selling of the stock.

Honeywell, at \$65, added a further 3/8, and Burroughs remained 5/8 up at \$60 1/4 after results. Digital Equipment, second to IBM in the industry, cleared the \$100 hurdle again, rising 1 1/4 to \$101 1/4.

Second-quarter figures left Control Data 5/8 easier at \$28 1/2, on light turnover. But Sperry, a twice-rejected bid seeker, fell 1 1/4 to \$50 1/2 on results which disappointed the most bullish analysts.

Defence stocks continued to strengthen as Rockwell opened the quarterly reporting season, adding 5/8 to \$39 1/2 on higher profits. But United Technologies fell 1 1/4 to \$42 1/2 after some analysts cut profit forecasts after hearing of sluggishness at Mostek, the semiconductor subsidiary.

Gains in rail freight issues continued to boost the Dow transportation average to new heights but excellent profits by major airlines failed to protect the stocks from profit-taking. American lost 3/4 at \$50 despite sharply increased earnings, while Eastern dipped 5/8 to \$9 1/2 on lower profits.

Other stocks responding to profits news included B. F. Goodrich, which lost 1 1/4 to \$30 after disclosing a loss for the second quarter. Other tyre industry stocks looked irregular, Firestone adding 5/8 to \$21 1/4.

Bowater Inc, which comprises the U.S. interests of the UK-based paper group, held steady at \$24 after figures.

But Quotron, the electronic stock market information group remained unchanged at \$12 1/2 after disclosing lower earnings.

Crown Zellerbach, unchanged at \$41 1/2, had an active session after Sir James Goldsmith increased his stake to 40 per cent, threatening the board's restructuring plans.

With U.S. personal spending still firm in June, retail issues remained in favour. K mart edged up 5/8 to \$37 and Sears at \$37 1/4 was 5/8 higher.

BankAmerica topped the active list with a fall of 5/8 to \$17 1/2 after reporting a second-quarter loss. While the results were a shock for the market, loose holders of BankAmerica stock have been shaken out over the past month.

Bankers Trust, 5/8 easier at \$71 1/2, rounded off the reporting season among the major banks with news of increased profits. Other bank stocks shaded lower as interest waned.

On the American Stock Exchange, technology issues back in favour included Wang Laboratories, 5/8 up at \$18 1/2. The most active stock was BATs, the UK tobacco and retail group, unchanged at \$4 1/4 after a 1m share block was traded in the form of ADRs.

In the credit market, volatility in federal funds marked bank settlement operations and produced an erratic trend in other short-term rates. Bonds prices, nearly half a point up initially, returned to overnight levels as Mr Volcker addressed the House of Representatives on Federal Reserve policies.

EUROPE

Storm cloud clears over Brussels

COMPOSURE returned to trading in Brussels yesterday as fears subsided among investors about the future of the centre-right coalition Government.

A broad range of leading issues advanced. However, this was insufficient to erase the falls recorded on Tuesday after the threatened resignation of Mr Wilfried Martens' Government.

The Stock Exchange index, in fact, eased 1.49 to 2,294.97, moving heavily under the influence of Petrofina, the nation's largest industrial company, which fell Bfr 20 to Bfr 5,580.

Buying was focused on financial holding stocks. Société Générale de Belgique firmed Bfr 35 to Bfr 1,805 and Group Bruxelles Lambert Bfr 20 to Bfr 1,880.

Companies with international earnings capacity were also in demand. Among these refiner Vieille Montagne gained Bfr 50 to Bfr 6,900 and wire-maker Bekaert Bfr 30 to Bfr 5,770.

Hopes that the Bundesbank will today cut one of its prime rates sent prices in Frankfurt higher during the afternoon after a tentative start. The Commerzbank index, calculated at midday, was down 2.0 at 1,377.0.

Foreign buyers were active, expressing a preference for automotive and banking stocks which were generally the best supported sectors. Daimler was again actively traded, firming DM 7.50 to DM 840.50 while Volkswagen added DM 8 to DM 300.50 and BMW 7.50 to DM 398.50. Porsche stood out with a DM 10 fall to DM 1,305.

Deutsche Bank closed at its high for the day of DM 561, a rise of DM 7.50, followed by Commerzbank up DM 4 to DM 214 and Dresdner DM 10.70 to DM 267.20.

Bonds closed higher in moderate trading. The Bundesbank sold DM 14.5m worth of paper, well above DM 2.5m on the previous day.

Banks led Amsterdam higher amid news that ABN, the largest Dutch banking group, will remove the half-point surcharge on base lending fees.

ABN firmed Ft 4.50 to Ft 479.50, and NMB added Ft 2 to Ft 208.50 on expectations that it will follow with a similar cut.

Philips forecast of depressed second-quarter earnings cut its price back Ft 3.50 to Ft 45.80.

Zurich resumed its climb, largely as a result of Wall Street's strong overnight tone with a technical reaction to recent falls also aiding the tone.

Among leading stocks, Sandoz firmed SwFr 400 to SwFr 8,850, Alusuisse SwFr 20 to SwFr 820, Ciba Geigy SwFr 20 to SwFr 3,410 and Nestlé SwFr 10 to SwFr 8,390.

Local economic factors, including strong trade surplus figures for June, returned trading in Paris to last week's buoyant level.

The construction sector was again singled out for buying with Bouygues advancing Ffr 9 to Ffr 780.

Milan closed lower on a reduced turnover, reflecting concern that the Government may introduce an inheritance tax.

Centrale encountered continued support following announcement of merger terms with Nuovo Banco Ambrosiano, and added L40 to L3,330.

Turnover again fell in Stockholm, reflecting general dullness in trading.

Among blue-chip issues, Astra continued to move against the trend adding SKr 4 to SKr 420.

Madrid stocks were narrowly mixed in quiet trading with steel and construction groups the only bright spots.

TOKYO

Institutions lend support to recovery

THE RALLY mounted on Tuesday maintained its momentum in Tokyo yesterday as prices advanced sharply in most sections, writes Shigeo Nishiwaki of Jiji Press.

Institutional investors stepped up buying, expecting the official discount rate to be lowered soon.

The Nikkei-Dow average of 225 select issues jumped 148.23 to 12,848.49 on trading of 532.86m shares, up from Tuesday's 403.69m. Gains outnumbered losses 586 to 253, with 129 issues unchanged.

Large-capital issues drew large buy orders for the first time in many sessions. Ishikawajima Harima Heavy Industries topped the list of 10 most active stocks with 34.16m shares, rising Y8 to Y104. Its popularity apparently reflected

rumours about gold mining prospects for its Brazilian subsidiary.

Kawasaki Kisen was second busiest with 18.10m shares. It gained Y8 to Y200. Nippon Steel gained Y5 to Y186 with the fourth heaviest trading, while Mitsubishi Heavy Industries closed at Y331, up Y8.

Constructions eased in the morning, but turned up again in the afternoon. Kumagai Gumi added Y10 to Y782. Yawachiku Construction jumped Y28 to Y489 and Nippon Hodo surged Y30 to Y1,350. Kandenko, subsidiary of Tokyo Electric Power, scored its daily limit gain of Y300 to Y2,110. But Tobishima, the third busiest, lost Y3 to close at Y379.

Blue-chip biotechnologies, electronics and precision instruments registered sharp increases, though trading was low. Asahi Chemical added Y15 to Y870, while Mochida Pharmaceutical shot up Y500, another daily maximum gain, to Y10,590.

Matsushita Electric Industrial finished Y30 higher at Y1,320 and NEC Y26 higher at Y970. Hitachi gained Y8 to Y704, and Sony jumped Y110 to Y3,900.

The bond market firmed, stimulated by the recovery of the U.S. bond market after a Federal Reserve Board report.

City and trust banks actively participated in trading, but investors were wary of the high prices of long-term bonds. Some long-term bonds were traded at yields lower than the three-month bill rate of 8.31 per cent, and institutional investors retreated to the sidelines in the afternoon. The yield on the barometer 8.8 per cent government bonds due in December 1994 dropped from 6.340 per cent on Tuesday to 8.320 per cent.

SOUTH AFRICA

THE FIRMER tone in the bullion price overflowed into Johannesburg trading as local institutions committed large quantities of funds.

Kloof finished R1.50 stronger at R8.50 while Rustenburg Platinum continued to make progress with its 80-cent gain to R17.80. Newly listed Modderfontein B hit R3.33, a rise of 3 cents, after touching R3.50.

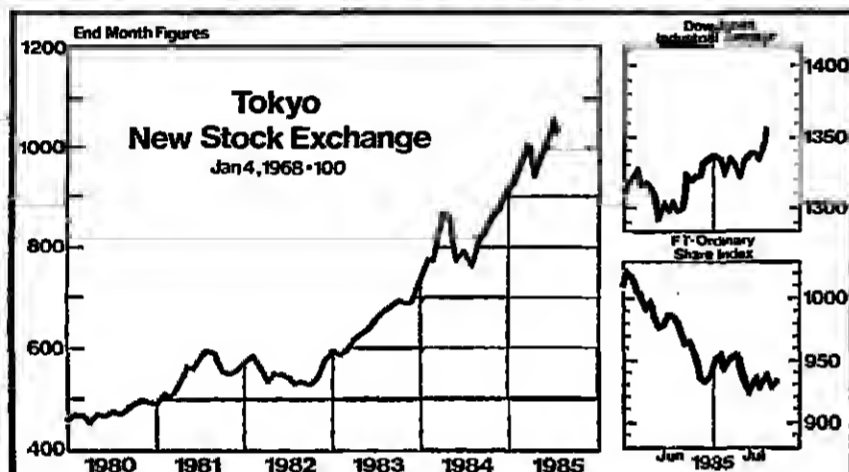
Industrials remained quiet as investor interest remained focused on golds.

CANADA

INVESTOR confidence combined with firmer gold prices to inspire Toronto trading and take indices to record levels early in the session.

Alberta Natural Gas was actively traded 3 1/4 higher to C\$15, while in a particularly busy gold sector Campbell Red Lake gained C\$ 1/4 to C\$30 1/4. A broad advance in Montreal was led by the banking sector.

KEY MARKET MONITORS



STOCK MARKET INDICES			
	July 17	Previous	Year ago
NEW YORK			
DJ Industrials	1,357.97	1,347.99	1,122.90
DJ Transport	703.89	700.14	482.78
DJ Utilities	168.03	168.24	126.49
S&P Composite	195.27	194.72	152.38

LONDON			
	July 17	Previous	Year ago
FT 100	833.6	828.7	789.8
FT-SE 100	1,247.3	1,239.5	1,007.8
FT-A All-share	600.90	596.74	472.58
FT-A 500	654.07	648.48	507.59
FT Gold mines	410.8	399.0	529.4
FT-A Long gilt	10.16	10.24	11.21

TOKYO			
	July 17	Previous	Year ago
Nikkei-Dow	12,848.49	12,698.26	10,242.0
Tokyo SE	1,043.10	1,031.80	778.53

AUSTRALIA			
	July 17	Previous	Year ago
All Ord.	612.8	602.5	678.0
Metals & Mins.	515.3	503.5	420.3

AUSTRIA			
	July 17	Previous	Year ago
Credit Aktien	95.27	95.61	53.57

BELGIUM			
	July 17	Previous	Year ago
Belgian SE	2,294.97	2,296.46	—

CANADA			
	July 17	Previous	Year ago
Toronto			
Metals & Mins	1,962.8	1,922.7	1,730.0
Composite	2,802.0	2,775.5	2,163.9
Montreal			
Portfolio	138.65	136.86	104.99

DENMARK			
	July 17	Previous	Year ago
SE	n/a	210.77	188.54

FRANCE			
	July 17	Previous	Year ago
CAC 40	219.6	218.9	168.2
Ind. Tendance	125.9	125.3	88.35

WEST GERMANY			
	July 17	Previous	Year ago
FAZ-Aktien	469.46	469.79	328.04
Commerzbank	1,377.0	1,379.0	945.9

HONG KONG			
	July 17	Previous	Year ago
Hang Seng	1,647.50	1,632.99	793.69

ITALY			
	July 17	Previous	Year ago
Banca Com. Ind.	351.84	353.52	207.55

NETHERLANDS			
	July 17	Previous	Year ago
ANP-CBS Gen	215.1	215.1	153.9
ANP-CBS Ind	182.8	181.8	124.2

NORWAY			
	July 17	Previous	Year ago
Oslo SE	337.00	334.26	245.38

SINGAPORE			
	July 17	Previous	Year ago
Straits Times	727.55	722.60	675.09

SOUTH AFRICA			
	July 17	Previous	Year ago
JSE Golds	—	950.1	888.0
JSE Industrials	—	1,036.8	869.3

SPAIN			
	July 17	Previous	Year ago
Madrid SE	110.39	110.38	90.37

SWEDEN			
	July 17	Previous	Year ago
J & P	1,307.74	1,312.53	1,481.35

SWITZERLAND			
	July 17	Previous	Year ago
Swiss Bank Ind	454.5	451.7	361.5

WORLD			
	July 16	Previous	Year ago
Capital Int'l	221.5	220.0	170.3

GOLD (per ounce)			
	July 17	Previous	Year ago
London	\$325.75	\$319.75	\$319.75
Zurich	\$326.50	\$317.25	\$317.25
Paris (filing)	\$323.96	\$317.51	\$317.51
Luxembourg	\$320.30	\$317.25	\$317.25
New York (Aug)	\$324.30	\$321.00	\$321.00

* Latest available figure

CURRENCIES

U.S. DOLLAR			
	July 17	Previous	Year ago
(London)			
\$	2.8375	2.886	4.005
DM	236.45	237.7	334.0
FFr	8.61	8.7575	12.165
SwFr	2.3335	2.393	3.295
Guilder	3.185	3.2445	4.505
Lira	1,834.0	1,868.0	2,586.0
Bfr	56.95	58.05	80.4
CS	1.347	1.3525	1.91

INTEREST RATES			
	July 17	Previous	Year ago
(3-month offered rate)			
\$	11 1/2	12	12
SwFr	5 1/2	5 1/2	5 1/2
DM	5 1/2	5 1/2	5 1/2
FFr	10 1/2	10 1/2	10 1/2

FT London interbank fixing			
	July 17	Previous	Year ago
(offered rate)			
3-month U.S.\$	7 1/2	8	8
6-month U.S.\$	7 1/2	8 1/2	8 1/2
U.S. Fed Funds	8 1/2	7 1/2	7 1/2
U.S. 3-month CDs	7 1/2	7 1/2	7 1/2
U.S. 3-month T-bills	7 1/2	7 1/2	7 1/2

U.S. BONDS			
	July 17	Previous	Year ago
Treasury			
8 1/2 1987	99 1/2	98 1/2	8.65
10 1/2 1987	101 1/2	101 1/2	10.02
11 1/2 1987	106 1/2	106 1/2	10.15
11 1/2 2015	108 1/2	103 1/2	10.37

Corporate			
	July 17	Previous	Year ago
AT & T	101.27	101.27	10.00
8 1/2 June 1990	81.00	81.00	8.70
8 1/2 May 2000	84.00	84.00	10.80

Xerox			
	July 17	Previous	Year ago
10 1/2 March 1993	100.00	100.00	10.50
Diamond Shamrock	100.00	100.00	10.50
10 1/2 May 1993	99.00	99.00	10.66

Treasury		July 17		Prior	
		Price	Yield	Price	Yield
8½	1987	99 ²⁷ / ₃₂	8.818	99 ²⁷ / ₃₂	8.65
10½	1992	101 ¹³ / ₃₂	8.985	101 ²³ / ₃₂	10.02